

The PRC Leadership Succession and Taiwan Policymaking: A Case Study of the 1995-96 Taiwan Strait Crisis

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by Jianhai Bi

University of Canterbury
New Zealand

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Abstract

The close connections and interactions between the Taiwan crisis and succession politics, and Taiwan policy and informal politics, demonstrated that the PRC politics were not fully institutionalised. Military-driven politics played a major role, but succession politics constituted the centre of Chinese informal politics. This leadership succession problem provided the military with the opportunities to greatly influence Beijing's decision-making on events in the Taiwan Strait. The military's influence was significant largely because political control was weakened by the struggle for succession. This process was facilitated by the importance of informal politics in the PRC. In this sense, the PRC provocation of the Taiwan crisis can be largely attributed to the military's leverage in the leadership succession struggle. Although other informal political factors contributed to Beijing's Taiwan policy and decisions to launch war-games, the struggle for succession was the most important factor acting on Taiwan policy and influencing the lead-up to the Taiwan crisis. Thus, the Taiwan crisis was due to a series of internal domestic elements of which the succession crisis was the key.

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Abbreviations

APEC	Asia Pacific Economic Cooperation
ARATS	Association of Relations Across the Taiwan Straits
CFALG	Central Foreign Affairs Leading Group
CMC	Central Military Commission
CNP	Chinese New Party
CPC	Communist Party of China
CPPCCSC	Chinese People's Political Consultative Conference' Standing Committee
CTWLG	Central Taiwan Work Leading Group
DPP	Democratic Progressive Party
FAO	Foreign Affairs Office
GDP	gross domestic product
GLD	General Logistics Department (of the PLA)
GNP	gross national product
GPD	General Political Department (of the PLA)
GSD	General Staff Department (of the PLA)
KMT	Kuomintang (Nationalist Party)
MAC	Mainland Affairs Council
MFA	Ministry of Foreign Affairs
MND	Ministry of National Defence
MNS	Ministry of National Security
NPC	National People's Congress
NPCSC	National People's Congress' Standing Committee
PLA	People's Liberation Army
PLAN	PLA Navy
PLAAF	PLA Air Force
PRC	People's Republic of China
ROC	Republic of China
SEF	Straits Exchange Foundation
TAO	Taiwan Affairs Office

TRA	Taiwan Relations Act
UFWD	United Front Work Department (of the CPC)
UN	United Nations
US	United States

Note on Romanization

This study uses a large number of primary Chinese materials. In transliterating the names of people and organisations from Chinese into English, it involves a question of which form of Chinese romanization system should be adopted. The Hanyu Pinyin system, a Mandarin romanization system, has been used in mainland China. The rest of the world, including the United Nations, has selected this system as the standard for romanizing Chinese. Thereby for the case of mainland China, the study adopts this system. However, Taiwan has not officially accepted the system. It continues to use the Wade-Giles romanization system. In addition, many Taiwanese including senior officials have their own English first names. Thus the Wade-Giles system is used for transliteration of the names of people and organisations in Taiwan. In using two systems simultaneously, there is a small difference in spelling a specific personal name to which attention needs to be paid. For example, for 李登輝, this study largely uses the Wade-Giles system spelling it as Lee Teng-hui. Meanwhile, in quoting from documents in both Chinese and English on mainland China, his name is spelled as Li Denghui.

A question about how to transcribe Chinese words into the Roman alphabet has been intensively debated in recent years in Taiwan, involving the issue of independence/reunification and incurring criticism from Beijing. In view of this, it needs to be stated that adoption of the two systems is merely for academic purposes, but does not imply any particular political position.

Chapter One

Introduction

1.1. The Purpose of the Study

1.1-1. The Originality and Importance of the Study

The PRC, as a rising superpower with an expanding economy and strengthening military muscle, carries considerable weight in the global arena. Its views are being heard and taken seriously around the world, sometimes arousing concern from the international community over its future orientation. Its economic development, social transformation and political change will be decisive factors shaping world affairs in the new millennium. This gives rise to the question: Will it be merged into contemporary international society or develop strained relations with the outside world? One of determinants of which direction it will take is that of the Taiwan issue.

Taiwan is an island of considerable strategic significance. The Taiwan issue exerts leverage on the Asia-Pacific geopolitical balance of power while playing an important role in shaping the global strategic pattern. It involves the major powers, in particular, the sole superpower, the United States. It is the most important and sensitive issue affecting PRC-US relations, and a continued point of contention between the two. As permanent members of the United Nations Security Council, nuclear powers and the world's most populous and powerful nations, respectively their Taiwan policies have global consequences. As cross-strait disputes mount, the PRC-Taiwan relationship has become more complex and emotional, an important potential threat to international security. Furthermore, the PRC's domestic political problems have an important bearing on the situation in the Taiwan Strait. In this context, this study raises the question: what is the relationship between domestic politics and Taiwan policy in the PRC?

The 1995-96 Taiwan crisis shocked the international community. The associated massive military manoeuvres were the PRC's largest operation since the end of the

1979 PRC-Vietnam Border War. In turn, the US made a strong response in the latter part of the crisis, dispatching two aircraft-carrier battle groups near the Taiwan Strait. This was the largest American military movement in the Asia-Pacific theatre since the end of the Vietnam War. The crisis led to a military stand-off between mainland China and the island, as well as the PRC and the US, and had a damaging impact on peace and stability in both the region and the world. People worried about a cross-strait war which might escalate into a PRC-US armed conflict, and even a nuclear war. Consequently, some major questions are raised for research: Why did the Taiwan issue suddenly erupt into a crisis? Why did the parties concerned get themselves into such a dangerous situation? Where were the sources and causes of the crisis? Which factors, international or domestic, lead to the outbreak of the crisis?

In terms of the origins of the crisis, the controversial ROC President Lee Teng-hui's US visit in mid-1995 triggered a strong reaction from Beijing, which conducted military exercises including missiles test-fired into waters off Taiwan. Why did the PRC respond so strongly? Did Beijing provoke the crisis? If so, why? To answer these questions one has to sort out how Taiwan policy is made and establish the key factors influencing decision-making on the Taiwan crisis.

1.1-2. Significance of the Proposed Research and Its Main Contributions

The theme of this study is not new. Although some scholars have put forward the view that the PRC leadership succession problem was the root cause of the 1995-96 Taiwan crisis, few scholarly works have detailed the succession struggle that preceded the crisis.¹ By examining the inner link between PRC leadership succession and Taiwan policy-making this study will argue that succession politics seriously affected Taiwan policy, thereby demonstrating that domestic politics has a significant influence upon Beijing's foreign policy.

¹ . For a review of different perspectives on the original source and underlying cause of the Taiwan crisis and the PRC leadership succession problem, as well as scholars' earlier contributions to the topic, see Chapter 1.2-1. The Existing Views and Perspectives on the Topic.

This study aims to contribute to Chinese political studies in two respects. First, the study will provide a comprehensive analysis of decision-making regarding the Taiwan crisis and general Taiwan policy-making in the PRC by exploring close connections between domestic politics and Taiwan policy conditions. Using a case study of the Taiwan Strait crisis of 1995-96, this study will examine the systems and mechanisms for the making of PRC policy toward Taiwan by analysing their structure and process as well assessing the impact of the external environment upon Taiwan policy-making. In making a thorough examination into why the Taiwan crisis broke out, it will seek to locate the fundamental source and underlying causes of the crisis.

Secondly, in applying relevant theories the study will investigate the Taiwan crisis and the PRC leadership succession crisis in order to examine the interrelationships between Taiwan policy-making, succession politics, foreign policy-making and informal politics.² It is important to establish to what extent inconsistent policies and changing behaviour can be explained by way of these interrelationships. At a broader level of generalisation, the study will also consider the wider theoretical implications, including new developments in researching Chinese informal politics.³ The study will explore the concept of military-driven politics. It will seek to demonstrate that the military is a driving force in informal politics and one of the major informal political factors.

1.2. The Current State of Knowledge and the Key Assumptions of the Study

1.2-1. The Existing Views and Perspectives on the Topic

² . For relevant theories, see Chapter 1.3-1. Theoretical Background.

³ . Regarding the theory of Chinese informal politics, this study mainly refers to the publications in the 1990s which summarised and developed past research results especially since the 1970s. *The China Journal* organised a special symposium and published a group of articles on informal politics theory in its July 1995 issue. This is a primary reference for this study's consideration of the issues of informal politics. In addition to this special journal symposium, the other special issue of *The China Journal* and some articles in other journals are referred to. See the Forum on the Nature of Chinese Politics Today, *The China Journal*, No.45, January 2001, pp.1-142; Lowell Dittmer, "Patterns of Elite Strife and Succession in Chinese Politics," *The China Quarterly*, No.123, September 1990, pp.405-430; Avery Goldstein, "Trends in the Study of Political Elites and Institutions in the PRC," *The China Quarterly*, No.139, September 1994, pp.714-730; Joseph Fewsmith, "Institutions, Informal Politics, and Political Transition in China," *Asian Survey*, Vol.XXXVI, No.3, March 1996, pp.230-245.

Shortly after the 1995-96 Taiwan crisis, members of the academic community began researching all the complex factors leading to the armed antagonism in the Taiwan Strait. The *Security Dialogue* published a special section on the crisis in its December 1996 issue. In the July 1996 issue, *The China Journal* carried a group of articles on the subject. A year later, a more detailed version of several of them reappeared in a volume, under the title “*Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*”.⁴ The volume was based on an international workshop in May 1996 organised by the Northeast Asia Program of the Australian National University. The *Journal of Contemporary China (JCC)* also published a special issue in July 1997. After two years, most papers of this issue, with the title of “*Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*”, were compiled into a monograph adding three others (two of them appeared in the *JCC* in following years).⁵ These two books provide much background analysis to events in the Straits during 1995-1996 and assessment of the purposes of the PRC war-games, including differing explanations of the origins of the crisis.

“*Cooperation or Conflict in the Taiwan Strait?*” and “*Face Off: China, the United States, and Taiwan's Democratization*”, are two further monographs dealing with the 1995-96 Taiwan crisis, however, both have differing points of focus.⁶ The former explores the origins of the crisis, placing emphasis on suggesting how to respond to the consequences and developing an approach for the management of future crises. Although the latter also assesses the repercussions of the crisis and makes policy recommendations to avert possible crises in the future, it is more specific, seeking out the main source and the major causes of the crisis. In addition,

⁴ . Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997.

⁵ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999.

⁶ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997.

“*China’s Dilemma: The Taiwan Issue*” explores the origins of the 1995-96 Taiwan crisis but its views appear to be “in favour of PRC positions”.⁷

In the meantime, several military monographs have been published but the principal books are “*Crisis in the Taiwan Strait*” and “*The Chinese PLA’s Perception of an Invasion of Taiwan*”.⁸ The former is based on a seminar held in Washington, D.C. in the fall of 1996 and the latter is a collection essays from June 1995 to September 1996. While analysing the historical roots of the crisis, the two monographs focus on the military strategies and tactics of the PRC, the US and Taiwan together with the military balance and confrontation in the Straits in 1995-96. Special attention has been given to PRC defence spending, modernisation and organisation, assessment of the PLA weaponry systems, combat capabilities, command structure, military doctrine and preconditions for attack on Taiwan.

In addition, there are a number of books dealing with PRC military and foreign relations and cross-strait relations as well as the security issues in the Asia-Pacific region and the Taiwan Strait. These books, such as “*The Great Wall and the Empty Fortress: China’s Search for Security*”, “*The Coming Conflict with China*”, “*China’s Security: The New Roles of the Military*” and “*Taiwan’s Security in the Changing International System*”, touch upon the 1995-96 Taiwan crisis but are less specific as regards its origins.⁹

Scholars from both sides of the Taiwan Strait obviously have different views, and criticise the opposite side for provoking the crisis. PRC scholars mainly restate Beijing’s standpoints on the crisis while Taiwanese scholars’ views are also close to their government’s position despite differences in interpreting the crisis.¹⁰

⁷. See Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, and its book review by Robert G. Sutter, *The China Journal*, No.47, January 2002, pp.130-132.

⁸. James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997; Peter Kien-hong Yu (俞剑鸿) (ed.), *The Chinese PLA’s Perception of an Invasion of Taiwan* (中共解放军对武力犯台之认知). New York: Contemporary U.S.-Asia Research Institute, 1996.

⁹. Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China’s Search for Security*. New York and London: W. W. Norton & Company, 1997; Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997; Mel Gurtov and Byong-Moo Hwang, *China’s Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998; Dennis Van Vranken Hickey, *Taiwan’s Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997.

¹⁰. Some scholars in the PRC not only follow Beijing’s policy toward Taiwan and justify the leadership’s decisions on the Taiwan crisis, but also make more bellicose remarks than the party and

In terms of the controversial issues, Andrew J. Nathan summarises three major views on the origins of the Taiwan crisis. Suisheng Zhao also analyses multiple perspectives on the major causes of the crisis.¹¹ These widely divergent views and perspectives cover politics, economics and military issues.

A general view suggests that the 1995-96 events in the Taiwan Strait were due to a host of coexistent reasons. Interweaving factors were at work and Beijing, Taipei and Washington, all shared responsibility for the crisis, despite differing about “the degree of blame to be placed on” the three sides.¹² All three’s domestic politics impacted upon events in the Straits and strained relations. Accordingly, respective policies impinged on each other leading to the crisis. On one hand, “Chinese-American-Taiwanese diplomatic jockeying” was considered to be a causal factor of the crisis. As such, the strategic interest conflicts between the PRC and the US, stemming from Beijing’s ambitions to replace US hegemony in Asia and the perception of the US as its main strategic enemy, was the root cause of the crisis.¹³

On the other hand, among the triangular relationships between Beijing, Taipei and Washington, the mainland-island disputes were principal, playing a major role in precipitating the crisis. Clearly, the crisis originated from fundamental political differences on either side of the Taiwan Strait. Major changes, mainly democratisation and the rise of pro-independence forces in Taiwan politics, then

government. For example, Chu Shulong, a specialist in PRC-US relations at the government-run Chinese Institute of Contemporary International Relations, clamours for a PRC-US War over Taiwan. With unparalleled violent and harsh words, he asserts that the PRC and the US would likely fight for the status of Taiwan, “either a hot war or a new cold war”. See Chu Shulong, “The Second PRC-US War: International Involvement in China’s Unification,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.228-239. Also see Chu Shulong, “National Unity, Sovereignty and Territorial Integration,” *The China Journal*, No.36, July 1996, pp.98-102.

¹¹ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.viii, 1-18.

¹² . Rex Li, “The Taiwan Strait Crisis and the Future of China-Taiwan Relations,” *Security Dialogue*, Vol.27, No.4, December 1996, pp.450-452; James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, p.2.

¹³ . Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997, pp.18-21, 149-165. Also see Peter Van Ness, “Competing Hegemons,” *The China Journal*, No.36, July 1996, pp.125-128.

impacted on cross-strait relations enhancing both adverse positions. Lee Teng-hui's US visit consequently became a central issue in the conflict across the Straits.¹⁴

In a background analysis of cross-strait relations in the mid-1990s, Suisheng Zhao examines the phenomena of coexistence, economic cooperation and political hostility. He explains why the increasing economic exchanges did not bring about substantial improvement in political relations and why the Beijing-Taipei disputes intensified moving toward the armed stalemate again, attributing it to deeply rooted mutual hostility and perplexed political contentions.¹⁵ Edward Friedman and Dennis Van Vranken Hickey also consider that "mutual misperceptions in Beijing and Taipei were one of the major causes for the persistence of hostility and the military crisis."¹⁶ Meanwhile, Zhao is of the opinion that a strategic shift in the PRC Taiwan policy from peaceful reunification to a forcible merger was an immediate cause of the crisis. This shift corresponded to a major change in the cross-strait situation caused by Lee's US visit and his perceived intention of collaborating with the US to seek Taiwan independence.¹⁷

Although scholars' views are divergent on the main source and the major causes of the crisis, most of them emphasise that the PRC war-games provoked the crisis. One view suggests that interrelated factors caused the PRC to use force to intimidate Taiwan. John W. Garver "attributes China's decision to use military intimidation to three complementary factors". First, in order to re-engineer Communist Party legitimacy, Beijing attempted to promote a new Chinese nationalism through confronting Taipei and Washington over the Straits. Second, through coercing the Taiwanese electorate, Beijing wanted to demonstrate its indispensable presence in Taiwan politics. Third, Beijing's decision on the military coercion of Taiwan was generated by the inconsistent policy of the Clinton administration regarding the Taiwan issue. On one hand, Washington's failure in reaffirming its commitment to a peaceful resolution of the issue, in particular an infirm stance to help defend Taiwan

¹⁴ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.1-5; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.ix-x.

¹⁵ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.21-40.

¹⁶ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.13, 258-259.

evidenced by its mild reaction at the early stage, encouraged Beijing's military adventure. On the other hand, Beijing felt compelled to make strong responses to stop Washington from tilting further toward Taipei.¹⁸

However, other scholars analyse the cause of the crisis from mainly the perspectives of PRC domestic politics. They can roughly be subdivided into four issues: national security interests, nationalism, national political stability (as impacted by Taiwanese democratisation) and the leadership succession. It is noteworthy that almost nobody provides an ideological or economic rationale as an explanation of the origins of the crisis.¹⁹

Some opinions assume that several factors interacted simultaneously and contributed together to Beijing's provocative military actions. For example, the interpretations of Mel Gurtov and Byong-Moo Hwang suggest Beijing's decisions to launch military exercises were motivated by Chinese nationalism. They are inclined to combine this with the perspectives of national security and interests. Furthermore, they believe that the military, for its own institutional interests, played a major role in compelling Beijing to provoke the Taiwan crisis.²⁰

Andrew J. Nathan's interpretation is very different from the great majority of the academic community. He proposes that a serious security concern over the Taiwan issue drove Beijing to conduct military exercises. He states that "the fundamental national security interests of China are involved" because the status of Taiwan has a most important bearing on ensuring PRC security. In an unfavourable neighbouring environment, Beijing had developed a sense of insecurity. If the island won independence, this could encourage ethnic separatism in the country's vast border regions and cripple national defence. In order to preserve national unity and sovereignty, Beijing had to take the actions it thought were necessary to check

¹⁷ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.99-125.

¹⁸ . See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, and its book review by Gregory W. Noble, *The China Journal*, No.41, January 1999, pp.228-229.

¹⁹ . Some scholars believe that the PRC domestic economic issues were irrelevant to Beijing's decision on cross-strait tension. See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, and its book review by Gregory W. Noble, *The China Journal*, No.41, January 1999, p.228.

²⁰ . Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998, pp.271-279.

Taipei's advance along the separatist road. Beijing viewed Taipei's pragmatic diplomacy in seeking to gain international recognition of Taiwan's sovereign status, in particular, Lee's US visit, as a major move in permanently splitting the island from the mainland. By reason of the rising Taiwanese independence movement and its collaboration with hostile foreign forces, mainly the US, the PRC national interests, especially its security were at stake. Therefore Beijing changed its peaceful reunification policy to a coercive strategy.²¹ Henry Kissinger and Stuart Harris share Nathan's understanding.²² However, these explanations of national security and interests are not unchallenged, Peter Van Ness, in particular, contests Nathan's interpretation.²³

Other scholars interpret Beijing's motivations for its violent actions in the Straits purely in terms of nationalism. In Edward Friedman's opinion, the impetus for Beijing's decisions to launch military exercises to threaten Taiwan was to use Chinese nationalism in place of China's communist ideology in order to legitimise its rulership. Communism had already collapsed as a national ideology. As a result, Communist Party legitimacy became increasingly problematic and Communist leaders were promoting nationalism as the only unifying ideology in maintaining "the antipeople police state". As a symbol of "bullying" and "hegemony" by outsiders, the Taiwan issue was regarded as a ready-made theme for rallying the Chinese people behind the banner of nationalism. In attacking Taipei for engaging in independence activities and invoking hostile foreign forces mainly the "hegemonist America" and "militaristic Japan", Lee's US visit was propagandised as the critical issue for national unity and sovereignty. Beijing made use of it to whip up nationalistic resentment in mobilising domestic support for the Communist regime. By playing on their role as the sacred defenders of the country's sovereignty and territorial integrity in the face of the "Taiwanese separatists and American

²¹ . Andrew J. Nathan, "China's Goals in the Taiwan Strait," *The China Journal*, No.36, July 1996, pp.87-93. Later, a book by Nathan and Robert S. Ross enhances the perspectives of national security and interests with greater consideration of the Taiwan problem, in particular, the issue of Lee's US visit, as crucial matters to the PRC. See Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, pp.193-225.

²² . Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997, p.117; Stuart Harris, "The Taiwan Crisis: Some Basic Realities," *The China Journal*, No.36, July 1996, pp.129-134.

²³ . See Peter Van Ness, "Competing Hegemons," *The China Journal*, No.36, July 1996, p.126.

hegemonists”, Communist leaders hoped to maintain their grip on power.

Consequently, militant Chinese nationalism, even Chinese Chauvinism, resulted in military provocation in the Straits.²⁴ However, other scholars adduce evidence to contest the argument of nationalism. They do not view nationalism as a critical political dynamic in adopting belligerence toward Taiwan during 1995-1996.²⁵

A debate on the deterrence of Taiwanese independence and/or democratisation is a further primary factor in discussing PRC military pressure on the island. Richard Bernstein and Ross H. Munro argue that Beijing attempted to remove a threat of Taiwanese democratisation while disagreeing that PRC coercion was aimed at deterring Taiwanese independence. A democratising Taiwan was considered dangerous to monopoly rule of the Communist Party. In order to prevent the democratic idea from spreading to people on the Chinese mainland, a frustrated Beijing had to repress it through intimidation of Taiwanese voters.²⁶ However, Chen Jian, Mel Gurtov and Byong-Moo Hwang argue that the PRC military exercises were not aimed at the democratisation of Taiwan, but targeted at Taiwanese independence.²⁷

In terms of the leadership succession issue, opinion is divided into two opposite schools: succession struggle consequence and institutional outcome. The former proposes that the Taiwan crisis was caused by a succession crisis in the PRC leadership, but the latter argues that the military exercises were Beijing’s systematic responses. The central issue is one of personality or organisation. Which role is determinant? Was Beijing’s military coercion of Taiwan shaped by noninstitutional or institutional elements? Did the leadership succession or the leadership system play a more important role in making decisions on events in the Straits?

²⁴ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.243-275.

²⁵ . For example, in a case study of Beijing’s Taiwan policy in the mid and late 1990s, Suisheng Zhao concludes that “nationalism has not driven China into taking irrational action against Taiwan”. See Suisheng Zhao, “Chinese Nationalism and Beijing’s Taiwan Policy: A China Threat?,” *Issues & Studies*, Vol.36, No.1, January/February 2000, pp.76-99.

²⁶ . Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997, pp.14-17, 79, 155, 161-163.

²⁷ . Chen Jian, “Understanding the Logic of Beijing’s Taiwan Policy,” *Security Dialogue*, Vol.27, No.4, December 1996, pp.459-462; Mel Gurtov and Byong-Moo Hwang, *China’s Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998, p.276.

The school of succession struggle, headed by John F Copper, strongly believes that succession politics in Beijing was transformed into the leadership crisis which, in turn led to the Taiwan crisis.²⁸ The Taiwan crisis came at a time when the Beijing leadership was undergoing another power transition. As Deng Xiaoping's health visibly deteriorated, a final fight over his succession became increasingly tense. Taiwan issues, in particular, the problem of Lee's US visit, set off a fiercer struggle over the leadership succession. The paramount leaders, in particular, Deng's heir apparent, Jiang Zemin, found it extremely difficult to withstand being accused of a soft stance on national reunification and PRC-US relations. As a result, Beijing adopted belligerence toward Taiwan, risking a military conflict with the US.

Dennis Van Vranken Hickey also considers that "the thorny succession issue" caused "China's leadership crisis" contributing to a tough policy toward Taiwan and leading to the cross-strait tensions.²⁹ In addition, Ellis Joffe, Rex Li and Willy Wo-Lap Lam hold the view that contention over the leadership succession was a primary element in Beijing's war-games while laying emphasis on the roles of military-driven and factional politics in the succession struggle.³⁰ However, few scholars of the school of succession struggle justify their assumption in detail.

A contrary view is put by Andrew J. Nathan.³¹ John W. Garver also considers that succession politics affected but was not a deciding factor in compelling Beijing to make decisions to intimidate Taiwan.³² Sheng Lijun acknowledges that "personal political consideration also played a role" because the leadership succession "had not

²⁸ . John F Copper, "The Origins of Conflict Across the Taiwan Strait: The Problem of Differences in Perceptions", in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.41-74.

²⁹ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, p.190.

³⁰ . Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.53-70; Rex Li, "The Taiwan Strait Crisis and the Future of China-Taiwan Relations," *Security Dialogue*, Vol.27, No.4, December 1996, p.451; Willy Wo-Lap Lam, "The Factional Dynamics in China's Taiwan Policy," *The China Journal*, No.36, July 1996, pp.116-118.

³¹ . Andrew J. Nathan, "China's Goals in the Taiwan Strait," *The China Journal*, No.36, July 1996, p.87.

³² . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, and its book review by Gregory W. Noble, *The China Journal*, No.41, January 1999, p.228.

been completed”, but argues that the divergence of the Taiwan issue, mainly Lee’s US visit, in Chinese elite politics should not be exaggerated.³³

The school of institutional outcome is represented by You Ji.³⁴ Although he does not dispute the utility of searching for internal political sources of the conflict across the Straits, he considers that power struggles in the hierarchy are overemphasised and the divergence over Taiwan policy between leaders is exaggerated. He places Beijing’s decision-making during the Taiwan crisis in the context of strategic calculations. He insists that the leadership system performed an important function in shaping the PRC military exercises in the Straits because of grave concern over territorial sovereignty and national security. There was an apparent unanimity of view in Beijing on the strategy regarding Taiwan, reaching a consensus to shift from promoting mainly peaceful reunion to increasing military pressure to force Taipei to move to reunification rather than independence. Thus Beijing decided to conduct military exercises to warn Taipei.

The school of institutional outcome places emphasis on Beijing’s strategic and diplomatic considerations. But it overlooks the political reality surrounding Taiwan policy decision-making in the PRC during 1995-96. For example, Nathan, Garver and Sheng came to their conclusions without an examination of the interplay between succession politics and Taiwan policy.

Because You Ji is representative of the school of institutional outcome, this study focuses on analysing his arguments. His discourses are instructive in reviewing Beijing’s motivations for the attempted coercion of Taipei. However, some interpretations within the institutional context are questionable. The crux of the argument is that “China’s domestic politics of succession” “has theoretically been settled”,³⁵ suggesting that a major change in Taiwan policy was made under a stable,

³³ . Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.156-159.

³⁴ . See You Ji, “Missile Diplomacy and PRC Domestic Politics,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.29-55; You Ji, “Changing Leadership Consensus: The Domestic Context of War Games,” in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.77-97.

³⁵ . You Ji, “Changing Leadership Consensus: The Domestic Context of War Games,” in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.82.

authoritative and systematic leadership. Thus the PRC's actions in the Taiwan Strait resulted from strategic considerations in the formulation of policy and decision-making.³⁶ This argument leaves the question open in five respects.

First, it calls into question whether Jiang Zemin's status as Deng's heir had been consolidated. The perspectives on the vulnerability and instability of Jiang's position as successor in the first half of the 1990s had already become prevalent.³⁷ In evaluating "Jiang's prospects and his leadership problems" a year and half after coming into office, You made a critical assessment of him by reason of "the lack of a regularized process within the leadership" and "grave uncertainties" in the succession to Deng.³⁸ However, four years later, You had a higher regard for Jiang's staying power than those scholars in the Western countries and Taiwan on grounds of "the institutional dynamics of succession politics".³⁹ Unfortunately, You's work has less to teach us about how and why this transformation from the noninstitutional to the institutional occurred. On the contrary, it emphasises that the timing and environment were key factors in realising Jiang's right of succession whilst the application of factional politics also played an important role.⁴⁰

³⁶ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.77-97.

³⁷ . For example, Ellis Joffe, an advocator of the succession struggle approach, believes that Jiang "is both vulnerable and movable". See Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, p.56.

³⁸ . You Ji, "Jiang Zemin's Leadership and Chinese Elite Politics after 4 June 1990," Working Paper, No.221. Canberra: Strategic and Defence Studies Centre, Australian National University, December 1990.

³⁹ . For You Ji's opinion on Jiang's stable successor position, see You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.1-27; You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.83-86.

⁴⁰ . According to You Ji, the key to Jiang's final and real hold on power is that he carefully calculated the timing to take over the reins of power from the party elders. With a cautious approach to the consolidation of his successor position, his strategic calculations of accommodating the party elders were successfully brought about over several years. Only when the revolutionary veterans such as Chen Yun passed away and Deng Xiaoping's health was in serious decline in 1995, did Jiang really succeed to the supreme power of Deng. "This highlights that the factor of timing that [it is] determines the outcome of a succession process." "The year 1995 proved the importance of the environment in which a successor can develop his power base." The demise of most party elders and Deng's failing health gave Jiang golden opportunities to fully gain the reins of power. See You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.3; You Ji, "Jiang Zemin's Command of the Military," *The China Journal*, No.45, January 2001, p.137. In

A second key issue is Jiang's relationship with the military and the military's role in the Taiwan policy and decision-making. The consolidation of Jiang's successor position involves an assessment of his degree of military support. You concludes that "the PLA has never challenged Jiang's position as the commander-in-chief". However, he acknowledges that "the post-Deng power transfer has increased the influence of the PLA in the country's politics". The military gained "an enlarged say over vital leadership decisions" because of its major role in the leadership succession. In exchange for their support, Jiang had to satisfy the military through making "efforts to safeguard military interests", "enlarging military spending" and supporting "the PLA's new grand defence strategy". Meanwhile, "the PLA has probably acquired crucial power in directing the course of the PRC's Taiwan policy" and "the PLA has always taken a hard approach to Taiwan". This gives rise to the question: how could Jiang bring the military under his authority and curb the military's aggressive demands on Taiwan? There are more questions that need to be further addressed, such as the military's stance toward Jiang's new Taiwan policy (the eight-point proposal), lobbying on Taiwan policy and influence on the decision-making during the Taiwan crisis.⁴¹

Third, the institutional outcome approach does not adequately explain why Beijing changed its responses to Lee's US visit from moderation to belligerence.⁴²

addition, in fact, You Ji acknowledges that "while factional dynamics persisted at the apex of the political pyramid," Jiang applied the factional means in fostering his successor position, combining "formal positions" and an "informal network of personal associates". See You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.2, 7.

⁴¹. You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.43-48.

⁴². When Lee planned his US trip and the Clinton administration decided to issue a visa to him, Jiang's administration exercised restraint. Beijing made representations toward Washington but did not adopt a tough diplomatic stance or suspend negotiations with Taipei. Whilst Lee visited the US from June 7-12, Beijing still responded politically, only publishing articles in the official media criticising Lee. Shortly after Lee's US visit, the PRC Taiwan Affairs Office on June 12 stated that although the visit had caused tensions between Beijing and Taipei, the agreements and exchanges between the two sides should be maintained and should not be affected. On June 14, ARATS Vice Chairman Tang Shubei declared that the Second Koo-Wang Talks would be held in July in Beijing as scheduled. On June 16, Beijing withdrew its ambassador from Washington and suspended the scheduled Second Koo-Wang Talks. Although Jiang's administration toned up its responses, these reactions were still within reasonable bounds. See Chapter 8.1-1. Jiang Zemin's Attempt to Maintain His Moderate Taiwan Policy and Mounting Pressures upon Him to Change It. Beijing did not announce its intention to conduct military manoeuvres until July 18. See Chu-cheng Ming, "Political

Beijing's early restraint reflected the fact that it did not necessarily have to make military responses. You Ji recognises that "immediately after Lee's US visit the Chinese leadership make a U-turn in its Taiwan policy". He offers plausible explanations for this, considering that there was a consensus on a strategic shift "from peaceful inducement to threats of force" in Beijing's "reunification policy".⁴³ However, the question needs to be asked: was such a response, adopting a mild stance at first and reacting strongly later, strategically calculated? Did the leadership system or the internal political processes play the larger role in making decisions to suddenly escalate from diplomatic means to military force? It is necessary to address these unanswered questions in order to discover the real cause for this major change in Beijing's stance toward Lee's US visit from restraint to violation.

Fourth, the view of institutional outcome alone can not adequately explain the structure and process of Taiwan policy-making. As such, several important questions need to be further discussed: Did the official organs of Taiwan policy-making function properly? Did retired officials outside formal organisations have an influence? In the case of Jiang Zemin's new Taiwan policy-making, did he have self-interested intentions for power, and did his proteges outside the official Taiwan policy organs play a role? Were there informal political factors contributing to the interlinked Taiwan and US policies? Most important, did the leadership succession or the leadership system play a large role in making decisions on events in the Straits?

Fifth, institutional outcomes should result from the institutionalisation of policy decision-making. However, this presupposition of institutionalisation is open to question. Was there a well-institutionalised mechanism of Taiwan policy-making? Were there conflicts between the institutional and noninstitutional elements in the course of Taiwan policy-making? Because the leadership succession in the Communist regime is recognised as a major problem,⁴⁴ the most contestable issue in

Interactions Across the Taiwan Strait," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.190-192.

⁴³ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.77-83.

⁴⁴ . For example, Michel Oksenberg believes that "Leninist systems have no institutionalized and orderly procedures for selecting the successor to their paramount leader". "This is the Achilles heel

the argument of institutional outcome is whether politics and policy decision-making under the Communist regime can be institutionalised. A number of Chinese politics scholars hold the view that PRC politics was not institutionalised in the mid-1990s.⁴⁵ As You Ji acknowledges: “orderly succession is an unsolved problem for China. The only way out is to institutionalize it under the rule of law a long and painful path”.⁴⁶ This study will argue that the key issue of non-institutionalised politics is that problems in the leadership succession system had not been resolved.⁴⁷ Thereby it has to further the analytical inquiries into whether the war-games were related to a succession struggle consequence, or not.

In searching for the underlying cause for Beijing’s decisions to conduct military exercises in the Straits and the origins of the Taiwan crisis, these five sets of complex and controversial questions remain to be addressed.

1.2-2. Hypotheses

There were six possible domestic factors acting on the making of PRC policy towards Taiwan in the mid-1990s. These were: national security interests, ideology, nationalism, economic issues, national political stability and the leadership succession.

First, it seems reasonable to argue that national security interests could be a cause of PRC Taiwan policy actions. Yet, there was no immediate external threat to the PRC’s security. To be sure, the status of Taiwan had a bearing on China’s sovereignty and territorial integrity, and for this reason the pursuit of national interest

of the system.” See Michel Oksenberg, “China’s Political System: Challenges of the Twenty-First Century,” *The China Journal*, No.45, January 2001, p.29.

⁴⁵ . Joseph Fewsmith points out emphatically “the lack of institutionalization at the top of the political system”. See Joseph Fewsmith, “Institutions, Informal Politics, and Political Transition in China,” *Asian Survey*, Vol.XXXVI, No.3, March 1996, p.245. Tang Tsou believes that “in the (Chinese) Communists’ project of rebuilding the state and the reconstruction of the whole society, the process of institutionalization has never been completed”. See Tang Tsou, “Chinese Politics at the Top: Factionalism or Informal Politics? Balance-of-Power Politics or a Game to Win All?” *The China Journal*, No.34, July 1995, p.99.

⁴⁶ . See You Ji, “Jiang Zemin: In Quest of Post-Deng Supremacy,” in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.24.

⁴⁷ . Lowell Dittmer considers that “the question of succession is never permanently settled”. See Lowell Dittmer, “Chinese Informal Politics,” *The China Journal*, No.34, July 1995, p.20.

had been one of the long-term strategic tasks of PRC leaders. However, although Taiwan independence was an issue, it was not about to be declared as such.

Second, the role of Chinese communist ideology in structuring general policy formation had declined to the extent of becoming insignificant in the making of Taiwan policy. Beijing's adoption of belligerence toward Taiwan could hardly have been motivated by ideological considerations.

A third factor is that of nationalism. As communist ideology has crumbled, Beijing has embraced nationalism as a replacement. However, this might be regarded as a reason and means to monopolise power rather than a basis of policy decision-making. Nationalism was a tool of the Communist leadership to justify its tough policy in external propaganda and domestic mobilisation. Also, Chinese nationalism, as a weapon, is of great use for the power struggle between aspiring Communist rulers.

A fourth factor relates to economic issues. The reform of the economic system had limited relevance to the formulation of policy toward Taiwan. In terms of economic development, Taiwanese investment on the mainland helped sustain GDP growth. Although Beijing wished to attract more Taiwanese investment, it placed politics above the economy in pursuing its Taiwan policy goals.⁴⁸ Hence, while in Taiwan policy-making, economic ties between the mainland and the island and their possible impacts on the domestic economy were taken into account, they were not one of the most serious considerations. As regards the national economic situation, it was not a tough economic time in the mid-1990s. Beijing was still able to keep the economy ongoing in the face of a mountain of problems despite the potential threat they posed to political stability. There were no conditions in pressing ahead with the economy that would entail the Taiwan issue.

Since national security interests, ideology, nationalism and economic issues do not appear to be major determinants of the general Taiwan policy-making setting or the root cause of decision-making on the Taiwan crisis, an exploration of domestic

⁴⁸ . Raymond J.M. Chang and Pei-chen Chang, "Taiwan's Emerging Economic Relations with the PRC," in Denis Fred Simon and Michael Y.M. Kau (eds), *Taiwan: Beyond the Economic Miracle*. Armonk, N.Y.: M.E. Sharpe, 1992, p.291; An-chia Wu, "Taipei-Peking Relations: The Sovereignty Issue," in Bih-jaw Lin and James T. Myers (eds), *Contemporary China and the Changing International Community*. Columbia, S.C.: University of South Carolina Press, 1994, pp.193-194;

politics is required. A discussion of the domestic political origins involves two main areas: national political stability and the leadership succession. The key question for inquiry is whether political instability constituted the domestic origin of the PRC adventurist policy on Taiwan. There were problems of political stability but they did not reach a critical point. Although Communist Party legitimacy remained problematic and there were hidden troubles in stabilising the country in the looming post-Deng Xiaoping era, Beijing, by and large, had maintained a stable political situation through a tightening control. Internal tensions such as sporadic protests had to be tackled, but there was no imperative necessity for Beijing to divert people's attention from the domestic social and political problems to the Taiwan issue. In addition, preventing the democratisation of Taiwan from threatening one-party rule in the Chinese mainland was hardly likely to be Beijing's main considerations. A democratising Taiwan might have an impact in the long term but did not constitute an imminent threat to the survival of the Communist dictatorship.

Since political stability did not drive the policy toward Taiwan and the US, it is necessary to look into the leadership succession problem. The mid-1990s was a critical juncture for succession politics. *De facto* ruler, Deng Xiaoping's health had been in serious decline. The supreme power was passing to Deng's chosen successor, Jiang Zemin. But this political transition process was fraught with contradictions and struggles. As Deng's health deteriorated, the succession struggle became fiercer.

Thus, after analysing various possible major factors likely to influence 1995-96 Taiwan policy-making, this study will assume that the PRC military intimidation of Taiwan arose from a power struggle which centred on the leadership succession problem. Jiang could not afford to be charged with weak policies toward Taiwan and the US due to the vulnerability of his successor's position. As a result, the war games in the Taiwan Strait initiated by the PRC became unavoidable.

Therefore, the main hypothesis is that in the case of the 1995-96 Taiwan crisis, internal political considerations in the PRC outweighed strategic and diplomatic consideration in the formulation of policy and decision-making. A subsidiary

hypothesis is that in the internal political processes surrounding decision-making in the case of the 1995-96 Taiwan crisis, informal politics, mainly issues of succession, were more important than institutional politics. It will be argued that these internal political factors played a larger role in shaping Beijing's Taiwan policy and decision-making on events in the Taiwan Strait during 1995 and 1996.

1.3. Methodology

1.3-1. Theoretical Background

James N. Rosenau, a leading theorist of international relations, provides the basic theory. He identifies "five sets" of explanatory characteristics to determine foreign policy decision-making. According to Rosenau, these involve: "the individual, role, governmental, societal, and systemic variables" which can be used to explain a country's external policy behaviour.⁴⁹

The 'individual' variables focus on the decision-makers, who lead foreign affairs and formulate guiding principles and policies toward the outside world. Their individual characteristics such as "values, talents and prior experiences" shape foreign policy.

The 'role' variables are embodied in the institutional positions held by officials. As the professional diplomats, they carry out their duties according to the requirements of their positions.

The 'governmental' variables concern the administrative system of foreign policy. Under the democratic political system, the functions of the government operating foreign policy are placed in the context of "executive-legislative relations".

'Societal' variables refer to various social forces, mainly interest and pressure groups, that have an influence upon foreign policy decision-making. The important dimensions, such as social institutions and values, national identity and union and economic development, may act on the countries' external behaviour.

The 'systemic' variables involve the "external environment". In making foreign policy, the decision-makers have to take international conditions and constraints into

⁴⁹. James N. Rosenau, *The Scientific Study of Foreign Policy (Revised and Enlarged Edition)*. London: Printer; New York: Nichols, 1980, pp.128-135.

account. More importantly, they have to consider major factors such as geopolitics, ideology and, in particular, any aggressive intentions of potential enemy states.

With regard to the respective roles of the five sets and their relationships, Rosenau points out: "Attaching causal priorities to the various sets of variables is extremely difficult." "There is no need to specify exactly how large a slice of the pie is accounted for by each set of variables."

In view of the different roles of the five sets under varying circumstances, this study absorbs the essence of Rosenau's theoretical system. Its structure is designed with reference to, but without copying mechanically, the system of the five sets. In light of the uniqueness of the PRC situation, emphasis is placed on the individual, governmental and systemic variables. Role is merged into governmental because basically both variables belong in the same classification. To be sure, they can be differentiated one from another in given conditions. However, under the PRC political system, both diplomats and the government departments concerned with the conduct of foreign affairs are together in the same system and are under the unified leadership of the Communist Party. Since the party makes all key decisions through its leading apparatus, the State Council-led governmental system does not play a decisive role in making foreign and Taiwan policy.⁵⁰

The concept of the societal factor is not applicable to the study of Chinese politics in the mid-1990s because it does not accurately explain the PRC social structure and political reality. A necessary precondition for explanation in Western political science is the function of civil society, but this did not exist in the first half of 1990s in the PRC. PRC society has undergone a massive transformation in recent years with the rapid economic development. This has brought about the reorganisation of social forces, in particular, the formation of new social classes and the emergence of a middle class. Nevertheless, this was not the case in the mid-1990s. Even today, there is no official description of the status of interest and pressure groups. The

⁵⁰ . The institutions and officials of the Communist Party are established at all levels and all units of the system of foreign affairs. For example, the leading party group is set up within the Ministry of Foreign Affairs (MFA), which is directly led by the Foreign Affairs Central Leading Group under the Politburo Standing Committee. Usually, the Foreign Minister is concurrently the Secretary of the leading party group in the MFA. Also, the Premier is concurrently the Secretary of the leading party group in the State Council. The PRC Taiwan policy-making system works under the leadership of the Central Taiwan Work Leading Group. For the working relationship between the Chinese Party and

Communist regime does not recognise the existence of nongovernmental organisations. Political discourse under the one-party state serves fundamentally different political functions than it does under a democratic system. Therefore the theoretical exposition can not indiscriminately make use of a general methodology that applies to the Western countries. For these reasons, this study will not examine the societal variables that do not appear to have had an influence upon the Taiwan policy-making of the mid-1990s.

Of the five variables, four are domestic factors. This underlines the domestic determinants of foreign policy. In another volume, Rosenau provides a framework for looking at how domestic factors influence international behaviour. He elaborates on the rationale that domestic politics determine external policy, referring to it as “linkage politics”.⁵¹ According to this rationale, external behaviour has its own internal origins in each country. Diplomacy is an extension of domestic affairs. The formation of foreign policy depends fundamentally on internal rather than on external factors. Although the international environment has effects on foreign policy-making, determinants outside a country are secondary in influencing its actions in foreign policy. This rationale provides an instrument to review the domestic sources of foreign policy.

From a perspective of national-international linkages, Rosenau expounds additional sources of foreign policy. Domestic explanations locate the determinants of foreign policy, but external factors also act on foreign policy-making, despite being less important. Simultaneously, domestic policy interacts with external policy and domestic politics interacts with foreign relations. This interplay reflects the correlation between international and domestic politics. Obviously, there are organic links between the two levels of politics. Therefore external influence on foreign policy has to be taken into account. The approach of linkage politics facilitates the exploration of the interactions between external relations and internal factors, and examines foreign policy-making in the context of national-international linkages.⁵²

government offices in foreign and Taiwan policy-making, see Chapter Four—The Structure and Process of PRC Policy toward Taiwan.

⁵¹ . James N. Rosenau (ed.), *Domestic Sources of Foreign Policy*. New York: The Free Press; London: Collier-Macmillan Limited, 1967.

⁵² . For the approach of linkage politics, see James N. Rosenau (ed.), *Linkage Politics: Essays on the Convergence of National and International System*. New York: The Free Press, 1969.

While dealing with the theoretical issues in the study of international crisis, James L. Richardson's book and a volume edited by Charles F. Hermann also give their discourses on the theory of international crisis-management.⁵³ More specifically, the two monographs edited by Daniel Frei provide a systematic frame of reference for the subject.⁵⁴ Thus this study utilises Frei's theoretical framework while referring to the approaches and analyses of Richardson and Hermann.

Decision-making is one of the most important questions in managing international crises.⁵⁵ The literature examines issues such as strategy and tactics, rationality, estimation, options, risk and consequences in crisis situations. In international crisis-management, although institutions and organisations are essential, the personality of decision-makers may significantly affect outcomes. These complicated factors help to shape the degree of tension, development of events and situational changes. Coral Bell's *Crises and Policy-Makers* is a valuable specialised reference for this study.⁵⁶

The interplay between external conflicts and domestic politics is viewed as a major aspect in international crisis management. On one hand, the internal political situations of the parties involved in crises relate to the causes of crises irrespective of whether they are direct or indirect. On the other hand, international crises effect domestic politics. In this sense, international crises are a sequence of adverse interactions between international and national politics beyond the control of either. This "inside-to-outside linkage" politics plays a major role in causing confrontation between the sides and in dealing with the critical situation outside. Patrick James's examination of international crises and linkage politics provides a useful

⁵³ . James L. Richardson, *Crisis Diplomacy: The Great Powers since the Mid-Nineteenth Century*. Cambridge; New York NY, USA: Cambridge University Press, 1994; Charles F. Hermann (ed.), *International Crises: Insights from Behavioural Research*. New York: The Free Press, 1972.

⁵⁴ . Daniel Frei (ed.), *Managing International Crises*. Beverly Hills, California: Sage Publications, 1982; Daniel Frei (ed.), *International Crises and Crisis Management: An East-West Symposium*. Farnborough, England: Saxon House, 1978.

⁵⁵ . See The Forum on Crisis Decision Making, in *ORBIS*, Vol.30, No.1, Spring 1986, pp.5-64; Jonathan M. Roberts, *Decision-Making during International Crises*. Basingstoke: Macmillan, 1988; Glenn H. Snyder and Paul Diesing, *Conflict among Nations: Bargaining, Decision-Making and System Structure in International Crises*. Princeton, New Jersey: Princeton University Press, 1977; Charles F. Hermann, *Crises in Foreign Policy: A Simulation Analysis*. Indianapolis and New York: The Bobbs-Merrill Company, Inc., 1969. Also see Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis*. Boston: Little, Brown and Company, 1971.

⁵⁶ . Coral Bell, *Crises and Policy-Makers*. Canberra: Department of International Relations, Research School of Pacific Studies, Australian National University, 1982.

interpretation in this respect.⁵⁷ It is instrumental in exploring the complex questions that interweave external events with internal factors in this topic. In the context of national-international linkages, the connections and interactions between the internal political forces of the participants in crises are impacted upon by the urgent and severe nature of conflicts with hostile countries. This can intensify the internal disputes on soft-or-hard choices and give rise to sharper political struggles, thereby affecting the decision process in response to the outside confrontation. Richardson provides the implications of the analysis for understanding and assessment of this sort of conflictual interaction, focusing on how domestic politics affects decision-making, in particular, how decision-makers adopt measures to cope with crises.⁵⁸

To sum up, the theory of international crisis management helps in making clear key assumptions about the topic of this study, and in clarifying issues raised by the hypotheses. This study employs these theories to look into a host of factors in the background of the 1995-96 Taiwan crisis and to explore the fundamental reasons for the major changes in Beijing's Taiwan and US policies through examining the decisional processes. More significantly, it can make use of these theories to discuss how and why the PRC leadership responded to Lee Teng-hui's US visit with a coercive challenge.

Besides general theories, this study also adopts three specific theories.

The first deals with theory on the domestic sources of PRC foreign policy. John R. Faust and Judith F. Kornberg in particular examine the domestic determinants of foreign policy.⁵⁹ Lu Ning deals with domestic political factors in general foreign policy formation while focusing on structure and process.⁶⁰ They all underline the domestic dynamics of foreign policy actions. In terms of the interplay between foreign policy and domestic politics, external behaviour takes shape in the context of internal politics.

⁵⁷ . Patrick James, "International Crises and Linkage Politics: The Experiences of the United States, 1953-1994," *Political Research Quarterly*, Vol.51, No.3, September 1998, pp.781-812.

⁵⁸ . James L. Richardson, *Crisis Diplomacy: The Great Powers since the Mid-Nineteenth Century*. Cambridge; New York NY, USA: Cambridge University Press, 1994, pp.306-326.

⁵⁹ . John R. Faust and Judith F. Kornberg, *China in World Politics*. Boulder and London: Lynne Rienner Publishers, 1995.

⁶⁰ . Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*. Boulder, Colorado: Westview Press, 1997.

Gerald Segal proposes that foreign policy and domestic politics are closely linked in the PRC, viewing domestic reform politics as one of the determinants in foreign policy-making. In conclusion, he points out: "It can be shown that at least some aspects of domestic reform have had a clear effect on foreign policy reform. The most striking change has been the broader involvement of aspects of Chinese domestic politics in foreign policy."⁶¹

Lev Deliusin explains how PRC domestic conditions and policy influence its foreign policy-making arguing that the leadership in the post-Mao era solves domestic problems in the economy, society and politics in a new way, leading to a new perspective on the global setting. Decisive domestic factors in the development of PRC foreign policy are embodied in both its economic needs and its political changes.⁶²

Robert S. Ross deals with the relationship between the international environment and the political system in the making of PRC foreign policy. Two schools debate over whether domestic or international factors are more important in shaping PRC foreign policy. After surveying both opinions, Ross points out: "The international environment cannot fully explain developments in Chinese foreign policy." "A full understanding of Chinese foreign policy requires an examination of the dynamics of China's domestic political system." Ross believes that there have been differences between the leaders over foreign affairs. Leadership differences and replacements can bring about a shift in external focus and orientations. Therefore succession politics could significantly affect Beijing's foreign policy-making process.⁶³

To summarise, in terms of PRC foreign policy-making, external factors such as the international environment and foreign influence are at work, but an external motivation is seldom the determining factor in policy formation. Instead, the formation of PRC foreign policy is primarily about internal causes, i.e., domestic political factors, more than external factors. Most importantly, leadership succession politics plays a significant role and can cause a major change in foreign policy. This

⁶¹ . Gerald Segal (ed.), *Chinese Politics and Foreign Policy Reform*. London; New York: K. Paul International for the Royal Institute of International Affairs, 1990, p.5.

⁶² . Lev Deliusin, "The Influence of China's Domestic Policy on Its Foreign Policy," in Frank J. Macchiarola and Robert B. Oxnam (eds), *The China & Challenge: American Policies in East Asia*. New York: The Academy of Political Science, Proceedings, Vol.38, No.2, 1991.

is because potential successors have a personal need for power or achievement in the area of foreign policy. This can produce an unexpected consequence on external relations. Under such circumstances, observation of the formulation and evolution of PRC foreign policy should place emphasis on the political transition, which is one of the principal variables. In light of this rationale, and while not neglecting external factors, this study will concentrate on searching after the source of internal causes—domestic political factors of influence in the making of PRC Taiwan policy.

The second specific theory relating to the PRC political system and policy making is put forward by Kenneth Lieberthal and Michel Oksenberg. They believe that “the *fragmentation* of authority is a core dimension of the Chinese system”. They argue that there are shortcomings and limitations to other approaches and models (such as responses to policy problems, power struggle and factional rivalry) in explaining the Beijing leadership’s policy formulation. “None of these explanations incorporates structural dimensions of the Chinese bureaucracy into the explanation.”⁶⁴ They present an alternative systematic framework, proposing a fragmented party-governmental policy-making structure and a highly complex decisional process of bargaining and consensus-building. Further, Lieberthal and David M. Lampton establish a “fragmented authoritarianism” model for the PRC political system and policy making. They consider that this model indicates that “authority below the very peak of the Chinese political system is fragmented and disjointed.” However, “the system is somewhat but not totally fragmented. The fragmentation has not reached the point where its constituent parts have the legitimate autonomy characteristics of a pluralist system.”⁶⁵ This model summarises the characteristics of PRC polity and policy formulation. It is instrumental in understanding and observing PRC politics and policy decision-making.

The third theory relates to Chinese informal politics, and helps to explain the policy-making and behaviour of the PRC toward Taiwan. By adopting informal political theory and focusing on the Taiwan crisis of 1995-96, this study can examine

⁶³ . Robert S. Ross, “From Lin Biao to Deng Xiaoping: Elite Instability and China’s U.S. Policy,” *The China Quarterly*, No.118, June 1989, pp.265-299.

⁶⁴ . Kenneth Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures, and Process*. Princeton, N.J.: Princeton University Press, 1988, pp.137, 3.

⁶⁵ . Kenneth G. Lieberthal and David M. Lampton (eds), *Bureaucracy, Politics, and Decision Making in Post-Mao China*. Berkeley: University of California Press, 1992, pp.5-12.

in depth the relationships between informal politics and Taiwan policy conditions. Lowell Dittmer and Tang Tsou give a definition of Chinese informal politics which is underlain by the leaders' interpersonal relationships. Dittmer suggests that "the central term in our conceptualization of informal politics is *relationships*". Tsou defines informal politics as "politics in which personal relationships with others or a set of such relationships constitute an end in itself".⁶⁶ There are different points of view on the theory of informal politics. According to Dittmer, formal politics and informal politics are interrelated and interact on each other.⁶⁷ Joseph Fewsmith appears to agree with the basic category of informal politics by Dittmer.⁶⁸ However, others go to two extremes. Lucian W. Pye, for example, believes that "the 'informal' is very nearly the sum total of Chinese politics".⁶⁹ Meanwhile, Andrew J. Nathan and Kellee S. Tsai reject the classification of informal politics and formal politics, insisting on a factionalism model.⁷⁰ The arguments of these two extreme viewpoints suggest that, in practice, it is difficult to distinguish informal politics from formal politics.⁷¹ In addition, Frederick C. Teiwes states that "abnormal politics" prevailed in the Maoist period, but "the post-Maoist period had been seen an evolution toward 'normal politics' ".⁷² This study accepts Dittmer's viewpoint suggesting that informal politics is part of PRC politics.

⁶⁶ . Lowell Dittmer, "Chinese Informal Politics," *The China Journal*, No.34, July 1995, pp.9-15; Tang Tsou, "Chinese Politics at the Top: Factionalism or Informal Politics? Balance-of-Power Politics or a Game to Win All?" *The China Journal*, No.34, July 1995, pp.95-102.

⁶⁷ . Lowell Dittmer, "Chinese Informal Politics," *The China Journal*, No.34, July 1995, pp.9, 14. For more discourses on the relations between formal politics and informal politics, see Tang Tsou, "Chinese Politics at the Top: Factionalism or Informal Politics? Balance-of-Power Politics or a Game to Win All?" *The China Journal*, No.34, July 1995, pp.98-108.

⁶⁸ . Joseph Fewsmith, "Institutions, Informal Politics, and Political Transition in China," *Asian Survey*, Vol.XXXVI, No.3, March 1996, pp.232-233.

⁶⁹ . Lucian W. Pye, "Factions and the Politics of Guanxi: Paradoxes in Chinese Administrative and Political Behaviour," *The China Journal*, No.34, July 1995, p.39.

⁷⁰ . Andrew J. Nathan and Kellee S. Tsai, "Factionalism: A New Institutional Restatement," *The China Journal*, No.34, July 1995, pp.164-167.

⁷¹ . Frederick C. Teiwes supports Lucian W. Pye's general argument considering that in some periods "it was virtually impossible to separate the formal from the informal". This notwithstanding, while implicating the informal nature of the political process in the PRC, he does not explicitly agree with Pye or Andrew J. Nathan and Kellee S. Tsai. See Frederick C. Teiwes, "The Paradoxical Post-Mao Transition: From Obeying the Leader to 'Normal Politics,'" *The China Journal*, No.34, July 1995, pp.58-59.

⁷² . Frederick C. Teiwes, "The Paradoxical Post-Mao Transition: From Obeying the Leader to 'Normal Politics,'" *The China Journal*, No.34, July 1995, pp.55-94; Frederick C. Teiwes, "Normal Politics with Chinese Characteristics," *The China Journal*, No.45, January 2001, pp.69-82.

1.3-2. The Research Methods: Introduction

It is essential to define the sphere of the PRC policy toward Taiwan because such a delineation determines the research orientations of the study. In seeking to draw a demarcation line, such questions are raised as: What is the nature of Taiwan policy? In which field should it be categorised, domestic or foreign? Of course, there are difficulties in a clear-cut definition because of the complexity of the Taiwan issues. Beijing and Taipei maintain adverse standpoints. Foreign countries, in particular, major powers, take different stances. Scholars hold opposite viewpoints. In terms of the international legal status of Taiwan, interpretations vary.⁷³ Furthermore, the definition of relations across the Taiwan Strait and the idea of resolution of the Taiwan issue are diverse. For example, a number of concepts and solutions have been brought forward such as one China; two Chinas; one China, one Taiwan; independence of Taiwan; independent Taiwan;⁷⁴ one country, two governments; one nationality, two states; one country, two systems, and so on.

The complex and controversial nature of the Taiwan issue highlights that it is an international problem. In particular, the US was connected with its origin and has an influence on its resolution. Taiwan also has its own position in the world arena. Although the PRC has claimed Taiwan to be just a province which has no legitimate right to develop formal ties with other countries, the island still maintains diplomatic relations with about thirty nations.

From the perspective of Beijing, Taiwan represents an internal affair of the PRC. Correspondingly, Taiwan policy is included in the domestic policy arena. However, this leaves the question open. The internationalisation of the issue and the PRC handling of Taiwan affairs are correlated and interactive, even integrated into the PRC conduct of its relations with the major powers and other countries.⁷⁵ Isolating

⁷³ . For a discussion of the international legal status of Taiwan, see Jean-Marie Henckaerts (ed.), *The International Status of Taiwan in the New World Order: Legal and Political Considerations*. London: Kluwer Law International, 1996, pp.1-32. Also see Chiu Hungdah, "The Principle of One China and the Legal Status of Taiwan," (丘宏达, "一中原则与台湾法律地位,") *Cheng Ming Monthly* (争鸣), No.280, February 2001, pp.69-72.

⁷⁴ . The meaning of independence of Taiwan is the island's *de jure* independence and independent Taiwan indicates the island's *de facto* independence.

⁷⁵ . Resolving the Taiwan issue is one of the main functions of the PRC's Ministry of Foreign Affairs. It is prescribed that "to carry out in its diplomacy the guidelines and policies of the Center regarding" "the resolution of the Taiwan question, and to promote the peaceful reunification of the motherland."

the island diplomatically is Beijing's top foreign policy priority. The Taiwan issue is the largest dispute between the PRC and the US and has led to frequent and intensive negotiations between the two powers.⁷⁶ Meanwhile, the diplomatic war between Beijing and Taipei never ends. Since the early 1990s, Beijing has struggled to defeat Taipei's efforts to participate in the United Nations. Moreover, Beijing has never extended control over the island since the foundation of the PRC in 1949 and the ROC government effectively rules the island. Thereby Beijing cannot treat the island simply from a perspective of domestic governance. In fact, the international legal status of Taiwan is that of a political entity. According to Beijing's own Taiwan policy, it has acquiesced to the *fait accompli*.⁷⁷

As such, while Beijing insists that the Taiwan question is a domestic issue, in practice it regards the Taiwan affair as a matter for foreign affairs administration. The PRC organisational system for Taiwan affairs in the 1990s had, in addition to the Taiwan Affairs Office under the Party's Central Committee and the State Council, supervision from leading officials and institutions in the area of foreign affairs. For example, the Vice-Premier and Minister of Foreign Affairs, Qian Qishen, was also the deputy head of the Central Taiwan Work Leading Group. He was in charge of foreign relations and cross-strait relations simultaneously. There was also a department concerning the Taiwan issue in the Ministry of Foreign Affairs.⁷⁸ In managing cross-strait economic relations, Beijing views Taiwanese business as

See Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*. Boulder, Colorado: Westview Press, 1997, p.189.

⁷⁶ . According to Michael D. Swaine, "although technically considered part of the domestic policy arena," the PRC leading body of Taiwan policy-making involves functions of supervising and coordinating the country's relations with the major powers, mainly the US. See Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.27-28.

⁷⁷ . Since the late 1980s, Beijing has admitted Taiwan's membership of the "international economic organisations in the name of 'Chinese Taipei' ". It promises "after Taiwan's reunification with the mainland, its social and economic systems will not change". "As a special administrative region, Taiwan will exercise a high degree of autonomy and enjoy legislative and independent judicial power, including that of final adjudication. It may also retain its armed forces and administer its party, governmental and military systems by itself. The Central Government will not station troops or send administrative personnel there." See Jiang Zemin, "Continue to Promote the Reunification of the Motherland," (江泽民, "为促进祖国统一大业的完成而继续奋斗,") January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.231-232.

⁷⁸ . Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*. Boulder, Colorado: Westview Press, 1997, p.21.

overseas putting it under the administration of the Ministry of Foreign Trade and Economic Cooperation. According to Beijing's rules, a Taiwanese corporation is regarded as a foreign institution. In other ministries, such as the Ministry of Transportation, specific Taiwan affairs offices have been established.⁷⁹

Therefore, the relationship between mainland China and Taiwan is in the nature of quasi-foreign relations with each other, despite being not *de jure* separate states. It is proposed within this study that Taiwan policy should be delimited as within the scope of the foreign policy field.⁸⁰ However, such a definition is merely for academic purposes. A judgement of the international legal status of Taiwan is beside the point. In this study, Taiwan is viewed as an external factor relative to the internal issues of mainland China but is also discerned different from the international factors. In effect, Taiwan is the external factor acting on the PRC Taiwan policy-making within the confines of China.

1.3-3. The Research Methods: Case Study Approach and Sources

This study takes the form of a case study. Although there are different opinions on the case study approach, Lincoln P. Bloomfield values it highly, suggesting that "All in all, the virtues of good case studies for the purpose of better analysis of the policy process seem impressive: data is readily available; sets of events can be readily distinguished from other sets; some interesting theoretical constructs are already in hand to make the learning from case studies of general value."⁸¹ The academic case study work on foreign policy-making and crisis decision-making has proved useful for explaining major events. According to previous scholars' experiences, the case study approach has been successfully applied to research on the

⁷⁹ . "Taiwanese Investment on the Mainland Is Only Next to Hong Kong," ("投资大陆台湾仅次于香港,") *Taiwan Today News Network (TTNN)* (华讯每日新闻), Taipei [hereafter *TTNN* (华讯每日新闻)], December 26, 1998.

⁸⁰ . This does not mean that this study agrees with the "two states theory". Former Republic of China President Lee Teng-hui put forward his 'two states' theory in July 1999 asserting a "special state-to-state relationship" between the two sides of the Taiwan Strait. See "President Lee: Cross-Strait Issues Lie in Different Systems Rather Than Unification Or Independence—An Interview With Deutsche Welle," ("李总统：两岸问题不在统独而在制度—接受德国之声专访,") *Central Daily News, International Edition* (中央日报, 国际版), July 10, 1999, p.3.

⁸¹ . Lincoln P. Bloomfield, *The Foreign Policy Process: Making Theory Relevant*. London: Sage Publications, 1974, p.42.

Taiwan issue and the Taiwan Strait crises. For example, Suisheng Zhao conducts a case study of Beijing's Taiwan policy in the mid to late 1990s while exploring the causes of the 1995-96 Taiwan crisis with regard to the role of Chinese nationalism.⁸²

The Taiwan Strait crisis of 1995-96 was chosen as a case study for three reasons. Firstly, it profoundly affected international relations as well as the domestic politics of the parties involved, particularly as regards PRC domestic politics. Secondly, it has characteristics different from that of other events during the same period, providing conditions for looking into the PRC political transition and foreign policy in the first half of the 1990s. Thirdly, the intensified succession struggle, sharpened policy contention as well as the frequent and close interplay between external behaviour and domestic politics during the crisis which provides an appropriate opportunity to dissect both PRC succession politics and foreign policy-making.

The methods that the study uses range from macrocosm to microcosm, from general trends to individual points. It begins with research on the political system and general policy making framework, and continues with the structure and process of Taiwan policy making, and then examines the various factors that shape the PRC policy toward Taiwan. Through analysis of the international, external (Taiwan), party-governmental and leadership/individual variables, it will seek to locate the deciding factors of Taiwan policy making. It focuses on the analysis and ascertainment of the domestic determinants acting on the formation of PRC policy toward Taiwan in the mid-1990s. Finally, the study will address the issues of succession politics—leadership instability and Beijing's crisis-decision-making on events in the Straits. Thus it can be seen that the analysis covers four dimensions: the international environment, the national polity, the country's policy organisations and institutions and the leadership/decision-makers. Also, the examination is undertaken at four levels: general policy formulation, foreign policy-making, Taiwan policy-making and its policymakers.

One difficulty is access to the official archives. In particular, the PRC has not disclosed documents detailing its internal policy contentions and decisional process leading up to the 1995-96 Taiwan crisis. Under such circumstances, use has to be

⁸² . See Suisheng Zhao, "Chinese Nationalism and Beijing's Taiwan Policy: A China Threat?," *Issues & Studies*, Vol.36, No.1, January/February 2000, pp.76-99.

made of the existing data and materials pertinent to the topic such as newspapers, magazines and other accounts. There is a wide variety of Chinese documents available and the study relies where possible on primary Chinese materials. Simultaneously, it utilises materials, data and journalistic accounts in English as well as other indepth analyses by Western China specialists.

Although the PRC has opened itself to the outside world, its foreign policy-making is not generally accessible to outsiders. In particular, leadership succession and Taiwan policy-making are two sensitive issues. Sometimes, both issues are classified as secret by the authorities. In order to break through PRC black box politics and closed foreign policy-making, many scholars in China studies have to rely largely on the use of Hong Kong's publications in the Chinese language as sources for their research, mainly newspapers and magazines despite concerns regarding their credibility.⁸³ Among Hong Kong media, sister periodicals, *Cheng Ming Monthly* (争 鸣) and *The Trend Magazine* (动向), are viewed as the leading publications. They have figured prominently in the two last decades with behind-the-scenes accounts of politics, the military, society and economy in post-Mao China. In their authoritative works, a number of respected researchers in the field of Chinese study such as John W. Garver, Greg Austin and Allen S. Whiting, quote frequently from both monthlies.⁸⁴

1.3-4. The Organisation of the Study

The main body of this study is basically designed in light of James N. Rosenau's theoretical system of variables/determinants of foreign policy-making.

After this introduction, Chapter Two and Three concentrate on the external variables of PRC Taiwan policy-making analysing both the international factors and

⁸³ . For a brief discussion of the credibility of Hong Kong's media reports on the PRC military, foreign policy and Taiwan policy, see John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.171.

⁸⁴ . See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997; Greg Austin, *China's Ocean Frontier: International Law, Military and National Development*. St. Leonards, NSW, Australia: Allen & Unwin in association with the Department of International Relations and the Northeast Asia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra, ACT, 1998;

the Taiwan factor. In Chapter Two, international factors principally relating to the major Asian-Pacific powers, Russia, Japan and the United States are examined. The first two sections focus on the importance of Russia and Japan in the balance of power, both globally and in the Asia-Pacific region in terms of the Taiwan issue. They deal with these two countries' relations with the two sides of the Taiwan Strait, interests in Taiwan, stances on the Taiwan's status and their respective roles in the Taiwan crisis. The third section is the focal point of the chapter, demonstrating that the US was principal among the major powers influencing the Taiwan issue and played a major role in the Taiwan crisis. It examines mutual policies between the PRC and the US and the triangular relationship between Beijing, Taipei and Washington. From a perspective of the world strategic pattern and with an assessment of American vital interests in Taiwan and stance on its status, it tries to find out where the crux of the PRC-US dispute over the Taiwan issue lay. It investigates the inconsistent policy of the Clinton administration on the Taiwan issue, making further explorations into the changed decision on Lee Teng-hui's US visit. Washington's measures in handling events in the Straits and its major role in the Taiwan crisis are reviewed in order to ascertain whether it could be the main source of the crisis.

Chapter Three provides a brief history of the evolution of Taiwan's status highlighting the strategic importance of the island. After surveying the economy and military, it places emphasis on an assessment of major changes, mainly democratisation in Taiwan politics from the late 1980s to the mid-1990s. An analysis of the question of Taiwan independence is focused upon because this involves the key issue of whether Beijing's grounds for coercive pressure upon Taipei are justified. With an assessment of various political forces, mainly the three major parties and the outlines of their cross-strait policies, it observes Taiwan's political situation and discusses the balance of the political forces between pro-unification and pro-independence. Following this is an exploration of the Taiwan people's view on national identity and a survey of public opinion polls on the issue of unification/ independence. The March 1996 presidential election is examined by

surveying the four presidential candidates and their main campaign themes, cross-strait issues and mainland policy. The impact on cross-strait relations by Taiwan's rapid transformation in domestic politics and major change in external policy is considered. In reviewing Taipei's mainland policy and pragmatic diplomacy, Lee's US visit is analysed. In particular, Lee's controversial role in the issue of unification/independence is discussed. The final section evaluates the conditions for Taiwan independence within the island. These two chapters seek to establish that neither the international factor nor Taiwan itself were the main sources of the crisis.

The subsequent three chapters deal with variables of the Party, government and the military, and individual /leadership in the PRC. They underline the importance of domestic factors in shaping the Taiwan policy, examining the possibility that the leadership succession could be the prime determinant acting on the policy and decision-making during the crisis. Chapter Four examines the structure and process of Taiwan policy-making. It begins with a survey of the political system and party-governmental decision-making framework, making clear that the central authorities of the Communist Party are the force at its core, leading the country and formulating policy. By offering analyses of the organisational system and functions of the Taiwan affairs administration and Taiwan policy formulation, it is hoped that how the decision-making structure and process worked in this area shall be illuminated. In particular, focus shall be placed on what systematic defects may have impacted on the process and from where they stemmed.

Chapter Five deals with the role of the military, elaborating its possible involvement in, and influence on, top level civilian policymaking. An initial survey demonstrates that the military's particular role in Taiwan policy-making was borne out of its privileged status in the political system and general decision-making, and position as kingmaker in succession politics. It explores how the military came to act as one of the originators of inputs into the Taiwan policy-making process through an overview of the PLA high command personnel and functional institutions. In terms of the services' roles, it focuses on the PLA Navy's lobbying on Taiwan policy. The evidence of the military's vital interests in Taiwan policy is embodied in three aspects: preservation of the military's political privilege, military build-up for modernisation drives and more budgetary resources for defence. Finally, the

military's influence upon Taiwan policy-making is evaluated. The military engaged in major lobbying activities in several important dimensions. Furthermore, although it was well placed in the formal organisations and regular process of Taiwan policy-making, it still conducted military-driven politics using informal political means illegally to pressure the civilian leadership.

Chapter Six contains details about the individual/leadership variables. It focuses on searching out the source of the need to devise a new policy for an accomplishment of Chinese reunification. This involves two major questions on whether Jiang's leadership had been consolidated and the nature of the motives behind his exploitation of the Taiwan issue. Both questions are addressed in two main sections. An initial examination provides an appropriate background on political transition. It reviews the collapse of Deng Xiaoping's succession strategy, in particular, the removal from office of two previous successors, Hu Yaobang and Zhao Ziyang. In this context, it discusses Jiang's sudden rise to power and unsteady leading position. It interprets the causes of why his position as successor was so fragile. In examining several individuals holding important positions, it highlights the contenders for succession sorting out those of the principal competitors in the long-term and the immediate rivals threatening Jiang's position. The second section examines Jiang's attempt to exploit the Taiwan issue. By surveying Jiang's potential means of establishing credibility and authority, it explains the reasons why he chose Taiwan affairs as a hopeful breakthrough point. In searching out what motives actuated Jiang to claim credit for the resolution of the Taiwan issue, its broader background is explored. Finally, it examines his political motivations in seeking to become an authoritative paramount leader and establish his place in Chinese history by achieving the return of Taiwan.

Chapter Seven addresses the policy background of the 1995-96 Taiwan crisis. Initially, it provides a background analysis examining the circumstances under which Taiwan policy became a focus of the PRC leadership succession struggle. In an overview of the previous Taiwan Strait crises and the evolution of PRC Taiwan policy, Beijing's perceptions of the issue and considerations of reunifying Taiwan are analysed. This interprets the importance and sensitivity of the Taiwan issue in elite politics, helping to understand reasons why Lee's US visit evoked much contention

and an eventual PRC move from moderation to belligerence. In addition, it explores the reason why elite and succession politics play a major role in the dominance of hard-line approaches to Taiwan policy. The second section examines Jiang's new policy toward Taiwan. It begins with an analysis of possible major domestic factors likely to influence Taiwan policy-making. After reviewing the historical background in terms of the cross-strait situation for Jiang's initiatives on Taiwan, the eight-point proposal that laid the foundation of his new Taiwan policy is evaluated. Taipei's negative responses to this proposal and their implications are also analysed.

The leadership succession struggle over the Taiwan issue and its ramifications are the subject of Chapter Eight. By exploring the interactions between Jiang's jeopardised right of succession and the critical situation in the Taiwan Strait, it provides an overview of the succession struggle as regards the Taiwan. In discussing the failure of Jiang's new Taiwan policy, its consequences for his successor position and its impact on his handling of cross-strait relations and the PRC-US relations, it looks into the causes of the Taiwan crisis. Subsequent analytical inquiries are made into Beijing's decisional process in launching war games before the chapter explores how Jiang shifted his stance on Taiwan from moderate to tough under internal pressure. Further explorations are made into the reasons why Beijing made such a major U-turn in the responses to Lee Teng-hui's US visit from restraint to violation.

The two sub-sections contain details about the military's role in Beijing's decision-making on the Taiwan crisis amid the leadership succession struggle. One examines Jiang's relationship with the military, which is assessed focusing on an analysis of his intentions to seek to gain the military's support because of his unstable leadership. Meanwhile, the other deals with the question of what role the military played in making decisions about bringing coercive pressure to bear upon Taipei with its leverage on the succession struggle. It demonstrates, in particular, the interplay between military-driven politics and succession politics.

Chapter Nine concludes the thesis, utilising the results from the previous chapters to establish whether the PRC leadership succession problem led to the Taiwan crisis. The initial section excludes both the international factors and the Taiwan factor as the main sources of the Taiwan crisis. It confirms that the Russian factor and the Japanese factor did not significantly affect the Taiwan crisis and also verifies the

view that the Taiwan crisis did not have its origins in relations with the US, despite that country's major role in the crisis. In particular, it underscores Washington's initial stance against Lee's US visit and the restraint exercised toward Beijing's military exercises at the early stage, illustrating that the US had neither the intention to provoke Beijing on the Taiwan issue nor any plan to create tension in the Taiwan Strait. In synthesising the previous analyses of Taiwan's political situation, the issue of Taiwan independence, Taipei's mainland policy as well as countermoves against Beijing's military intimidation, a case is also made that Taiwan was not the main source of the crisis. Lee's US visit was controversial, especially angering Beijing, but it should not have become a reason for military confrontation in the Straits. Faced with problems in cross-strait relations and the PRC-US dispute on the visit, there were other policy options open to Beijing. The study underlines Beijing's restraint to the visit at the early stage, which reflected the fact that it did not necessarily have to make military responses. In return, it argues that this indicated that there were other major factors in the origination of the crisis. Thus it suggests analysing key issues from a perspective of the domestic factors acting on the PRC Taiwan policy and decision-making on events in the Straits in order to explain the origins of the crisis.

The next section further tests the key assumptions to ascertain what were the most important domestic determinants. In the summarised analyses, it establishes that five factors: national security and interests, ideology, nationalism, the economic issues, and domestic political stability, were not crucial in forming Taiwan policy and making decisions during the Taiwan crisis. It confirms that the leadership succession problem was a prime determinant in the seriousness of this Taiwan crisis, reinforcing the crux of the argument. With a series of examinational syntheses, it concludes that the succession struggle became the dominant factor in the formation of Taiwan policy and in accounting for the Taiwan crisis. The following section remarks upon the structure and process of Taiwan policy-making and Taiwan-crisis decision-making under circumstances of unsteady leadership. It concludes that both institutional and noninstitutional elements conflicted, disrupting the formulation institutions of Taiwan policy. Due to the lack of a normal political environment and regular policy mechanisms, it inevitably produced an adventurist policy behaviour

that replaced political solutions with military means in response to internal military pressures, the cross-strait problems and PRC-US diplomatic disputes. Further, it highlights the military's role in the structure and process of Taiwan policy-making and its involvement in, and influence on, Beijing's decision-making on the Taiwan crisis. It concludes that the leadership succession problem together with the military's leverage accounted for the outbreak of the Taiwan crisis.

The final section summarises the findings in this study.

Chapter Two

The International Involvement in Taiwan

2.1. The Russian Factor in the Taiwan Issue

In contrast to the United States and Japan, Russia has no the strong ties with, or vital long-term interests in, Taiwan. Indeed, Russia has little influence upon Taiwan and plays a minor role in the Taiwan issue. However, of all the foreign influences involved in the Taiwan issue, the Russian factor is third in importance because it plays an indispensable part as an important counter-weight to the US and Japan. To a great extent, the Russian factor in the Taiwan issue stemmed from the international balance of power. Russia takes both PRC-Russian relations and the world strategic pattern as its starting point in considering Taiwan policy.

2.1-1. PRC-Russian Relations

In the early period of the Cold War, the global strategic pattern was that of a bipolar world and PRC-Russian relations fell within the gambit of American-Russian contention for global dominance. In the late 1940s and the early 1950s, the focus of Moscow's strategy in the Asia-Pacific region was to support the Chinese Communist forces and include the PRC in an Eurasian Communist bloc. After the Chinese Communist forces seized state power and the American backed Nationalist forces were defeated and retreated to Taiwan, the PRC and the Soviet Union signed a Treaty of Friendship, Alliance and Mutual Assistance in 1950.⁸⁵ For the Soviet Union, this strengthened its position in the world-wide confrontation with United States. For its part, the PRC, gained strong support from the Soviet Union for its opposition to "American imperialism". The Soviets provided large quantities of economic and military assistance and helped the PRC confront the US in Asia. Moscow played an important role in prompting the PRC to go to war against the US in Korea during

1950-1953.⁸⁶ As a result, hostility between the PRC and the US was maintained for two decades and Taiwan was placed under American protection for nearly half a century. Although Moscow declared that it supported Beijing's position in the dispute over the Taiwan issue, the PRC participation in the Korean War was in favour of the Soviet strategic interests at the cost of settling the Taiwan issue.⁸⁷

In the mid-1950s, the rift between the two communist powers became apparent. The Soviet Union sought to control the PRC Navy by proposing a PRC-Soviet joint fleet but Beijing rejected this proposal. Meanwhile, Mao Zedong was planning to challenge Khrushchev's leadership in the Communist world.⁸⁸ The 1958 Taiwan Strait crisis was an important factor leading to the disintegration of the PRC-Russian alliance. While the PRC was prepared to create tension in the Taiwan Strait, Moscow dissuaded Beijing from this plan so as to avoid direct conflict between the two superpowers in the Far East. However, when Moscow saw that the Taiwan crisis was drawing to an end and there was no a real danger of becoming involved itself, Khrushchev addressed a bellicose letter to President Eisenhower, in which he warned that an atomic attack on the PRC would bring a rebuff by the same means.

However, Beijing was dissatisfied with Moscow's weakness toward the US and with the Soviet empty show of strength.⁸⁹ Furthermore, the PRC leaders rejected Moscow's proposal that Beijing should handle the Taiwan as a buffer zone to avoid an armed conflict similarly to the Russian model of the Republic of Far East in 1920-1922. The PRC maintained that the Taiwan issue was an internal Chinese affair in which neither the Russians nor the Americans should interfere.⁹⁰ In the 1960s the PRC-Soviet alliance completely split and a number of armed conflicts broke out

⁸⁵. Chen Jian, *China's Road to the Korean War—The Making of Sino-American Confrontation*. New York: Columbia University Press, 1994, pp.82-84.

⁸⁶. Chen Jian, *China's Road to the Korean War—The Making of Sino-American Confrontation*. New York: Columbia University Press, 1994, pp.160-161, 196-200.

⁸⁷. During late 1949 and mid 1950, Beijing worked out an operational plan to capture Taiwan and the PLA made preparations for the Taiwan campaign. However, this plan was aborted because of the outbreak of Korean War. Beijing dispatched the PLA main force to participate in the Korean War and its attempt to seize Taiwan had to be postponed. See He Di, " 'The Last Campaign to Unify China': The CCP's Unmaterialized Plan to Liberate Taiwan, 1949-1950," *Chinese Historians*, Vol.V, No.1, Spring 1992, pp.1-16.

⁸⁸. "Khrushchev Proposed the PRC Should Establish the Republic of Far East in Taiwan," ("赫鲁雪夫曾建议中共在台成立远东共和国,") *TTNN (华讯每日新闻)*, May 29, 1999.

⁸⁹. John R. Thomas, "Soviet Behavior in the Quemoy Crisis of 1958," *ORBIS*, Vol.VI, No.1, Spring 1962, pp.38-64.

among Chinese and Russian troops along the border. In the 1970s, PRC-Soviet relations deteriorated further while the PRC made a substantial strategic alliance with the US to contain Soviet global expansionism.⁹¹

Yet, the Soviet Union did not change its basic policy on the Taiwan issue during the Cold War. At the 1971 UN General Assembly, the Soviet Union was one of the supporters of the resolution giving the PRC the legitimate Chinese seat in the United Nations while excluding the ROC. In the 1980s, the Taiwan issue became a useful bargaining weight in Washington-Beijing-Moscow triangular relations. The Soviet Union spared no effort to estrange PRC-US relations by reaffirming its stand in support of the PRC's claim of sovereignty over Taiwan and attacking US-Taiwan close relations which hurt the PRC's vital interests. Moscow's position on the Taiwan issue helped Beijing to force Washington to make concessions.⁹² In the PRC-US-Soviet strategic grand triangle, Moscow often played the Taiwan card as a lever to balance the PRC and the US, and has continued to do so in the PRC-US-Russian triangular relations in the post-Cold War era.

In terms of Russia's considerations of policy toward the PRC, the "good neighbour" approach eased tensions along the PRC-Russian borders and reduced the burden of the defence budget in order to concentrate resources on economic development. Also, Moscow looked at the PRC's impressive economic growth and viewed economic and trade cooperation with the PRC as a means by which to boost Russia's economy.

As the PRC's military power grew, increasing the need for more arms, the PRC became the most important market for Russian weapons and energy resources. In terms of geopolitics, besides cooperation on major international issues, one of the

⁹⁰ . "Khrushchev Proposed the PRC Should Establish the Republic of Far East in Taiwan," ("赫鲁雪夫曾建议中共在台成立远东共和国,") *TTNN (华讯每日新闻)*, May 29, 1999.

⁹¹ . For the split of the PRC-Soviet alliance and the fundamental differences and conflict between Beijing and Moscow in the 1950s and the 1960s, see G. F. Hudson, Richard Lowenthal and Roderick MacFarquhar, *The Sino-Soviet Dispute*. New York: Praeger, 1961; Robert C. North (ed.), *Moscow and Chinese Communists* (Second Edition). Stanford, California: Stanford University Press, 1963, pp.266-291; John Gittings, *Survey of the Sino-Soviet Dispute: A Commentary and Extracts from the Recent Polemics 1963-1967*. London, New York and Toronto: Issued under the auspices of the Royal Institute of International Affairs [by] Oxford University Press, 1968; O. Edmund Clubb, *China & Russia: The "Great Game"*. New York and London: Columbia University Press, 1971, pp.426-508.

⁹² . Martin L. Lasater, *The Taiwan Issue in Sino-American Strategic Relations*. Boulder and London: Westview Press, 1984, pp.22-80; Martin L. Lasater, *Policy in Evolution: The U.S. Role in China's Reunification*. Boulder & London: Westview Press, 1989, pp.154-164.

purposes of Russia seeking to further ties with the PRC was to obtain Beijing's support for Russia to enter into the Asia-Pacific region. In this regard, the PRC could play an important role in supporting Russia's participation in Asian international forums. A Russian good-neighbour policy toward the PRC was designed to obtain Beijing's help for Russia to join the Asia-Pacific economic cooperative organisation and participate in regional economic and political processes. Moscow was eager to change the image of the former Soviet Union threatening regional countries. It was very keen to join the political and economic neighbourhood in Russia's own eastern surrounds. In particular, Russia had readjusted its Western-orientated foreign policy since 1993, and had given a priority to the Asia-Pacific region. Russia attached great importance to the economic growth of the Asia-Pacific region and hoped to create favourable conditions for its own economic development. Under this background and within such a design framework, Moscow pursued its policy toward the PRC in the post-Cold War era.⁹³

In 1991 and 1994, Russia and the PRC signed two border accords basically resolving long-term border disputes and energetically promoting the improvement and development of bilateral relations.⁹⁴ The two countries had cooperated on major international issues since 1992. In 1993, an agreement on military cooperation over five years between the PRC and Russia was signed. In 1994, the two nations signed a mutual nonaggression pact.⁹⁵ In January 1994, President Yeltsin proposed a PRC-Russian constructive partnership oriented towards the 21st century. President Jiang Zemin paid his return visit to Russia in September 1994 and agreed to establish such a partnership. Furthermore, Moscow proposed to establish a PRC-Russian strategic partnership. Initially, it seemed that the PRC leaders were not enthusiastic but apparently changed their mind on the eve of the fourth Yeltsin-Jiang presidential summit of 1996 and Jiang immediately agreed when Yeltsin repeated the proposal. Relations with the United States were difficult for both nations, as Beijing and

⁹³ . Pi Ying-hsien, "The Dynamics of Sino-Russian Relations," *Issues & Studies*, Vol.32, No.1, January 1996, pp.18-31; S. Bilveer, "East Asia in Russia's Foreign Policy: A New Russo-Chinese Axis? *The Pacific Review*, Vol.11, No.4, 1998, pp.485-503; Charles E. Ziegler, "Russia in the Asia-Pacific: A Major Power or Minor Participant? *Asian Survey*, Vol.XXXIV, No.6, June 1994, pp.529-543.

⁹⁴ . Chikahito Harada, *Russia and North-east Asia*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.42.

⁹⁵ . Lowell Dittmer, "The Sino-Russian Strategic Partnership," *Journal of Contemporary China*,

Moscow believed that Washington was seeking domination of the post-Cold War world. This prompted the PRC and Russia to move closer together. PRC-Russian strategic cooperation was at its height in mid-1995 and early 1996, at a time when Moscow worried about the US-led NATO expansion of its defence scope eastwards Russia's western border and Beijing confronted Washington over the Taiwan issue. Both nations shared similar views on a range of international issues and had acted with each other in light of some common interests in world affairs. When Yeltsin visited the PRC in April 1996, the two nations announced the establishment of a strategic partnership for the 21st century.⁹⁶ For Beijing's part, with the Taiwan issue in mind, it sought to safeguard itself with its close strategic ties to Moscow.

2.1-2. Russia's Relations with Taiwan

The former Soviet Union had severed diplomatic relations with the ROC and recognised the PRC in October 1949. From the early 1950s to the late 1980s, relations between Taiwan and the Soviet Union were hostile and prohibited mutual contacts. However, Moscow and Taipei sounded out the possibility of approaching each other in the late 1960s when Beijing and Moscow moved from alliance into enmity.⁹⁷ Since the early 1970s, the international situation had changed considerably. Beijing and Washington ended their hostility and engaged in strategic parallelism. Moscow and Taipei attempted to utilise their combined leverage against their common enemy—Beijing. Both sides tried to conduct political cooperation and even considered that they might militarily help and support each other or form a military alliance of some sort against the PRC.⁹⁸

Vol.10, No.28, August 2001, p.405.

⁹⁶ . Jennifer Anderson, *The Limits of Sino-Russian Strategic Partnership*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, pp.18-23; Chikahito Harada, *Russia and North-east Asia*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, pp.40-44.

⁹⁷ . For the approaches between Taipei and Moscow in an attempt to balance the PRC-US rapprochement, see John W. Garver, *The Sino-American Alliance: Nationalist China and American Cold War Strategy in Asia*. Armonk, N.Y.: M.E. Sharpe, 1997, pp.277-281.

⁹⁸ . Jen-Kun Fu, *Taiwan and the Geopolitics of the Asian-American Dilemma*. New York; Westport, Connecticut; London: Praeger, 1992, pp.102-103; Dennis Van Vranken Hickey, *Taiwan' Security in the Changing International System*. Boulder and London: Lynne Rienner Publisher, 1997, p.61; Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond*

During the period, from the 1970s to the 1980s, Moscow sought to exploit the handling of the Taiwan situation in PRC-US relations. It adopted a gesture of tying down the PRC on the Taiwan issue. Sometimes, it showed off its military presence by despatching warships to sail through the Taiwan Strait, in an attempt to send a warning message to Beijing. A Russian journalist, Victor Louis, who was viewed as a KGB official, visited Taiwan in 1968.

In the meantime, Taipei explored the necessity and possibility of resorting to a tactical alliance with Moscow. Yet this would have involved a fundamental shift in its stand from anti-Communism to cooperation with communist countries. A debate about whether Taipei would collaborate with the Soviet Union to balance PRC-US relations had been conducted for a long time within the ROC leadership. The ROC leaders expressed their opinion that they might improve relations with Moscow to cope with Beijing if that was necessary. Some of the ROC political figures, visited Moscow and diplomats came into contact with their Soviet counterparts by meeting on public occasions and maintaining private contacts.

However, rapprochement between Taiwan and the Soviet Union was not realised. Neither Moscow nor Taipei changed their respective policies toward the opposite side. There were two main reasons for this. Firstly, the ROC basic national policy was anti-Communist and motivated to resist Russia. The ROC leadership had a deep-seated hatred of the Soviet Union because Moscow had supported the Chinese Communist forces in subverting the Nationalist regime. Secondly, the ROC leadership worried that it would provoke the Americans to anger and that it would be deserted by Washington. Furthermore, the Soviet Union had not changed its stance on Taiwan's status during the Cold War, remaining in support of Beijing's stance on cross-strait issues. For its part, Moscow did not wish to complicate its relations with Beijing. These factors notwithstanding, the intention to draw closer to one another and maintain some secretive contacts, laid a foundation for a thaw in the relations between Russia and Taiwan.

In the late 1980s, Taipei relaxed restrictions on nongovernmental exchanges with the Soviet Union. Taiwan and the Soviet Union had come into unofficial contact

with each other and Taipei ultimately lifted its ban on direct trade and investment in the Soviet Union in 1990.⁹⁹

The change in bilateral relations really began after the collapse of the Soviet Union. In 1992, John Chang, ROC Vice Foreign Minister visited Moscow. International media quickly observed that the visit was the first time since the formal contacts between both sides had been broken off in 1949 and saw his tour as an ice-breaking mission. He and his Russian counterpart discussed the exchange of liaison missions and signed an agreement on the establishment of representative offices in their respective capitals.¹⁰⁰ Substantial relations between Russia and Taiwan have greatly improved since then. A number of high-ranking officials, legislators, and politicians have exchanged visits between Russia and Taiwan, including former Soviet president Mikhail Gorbachev's visit in 1994.¹⁰¹ Russo-Taiwanese exchanges in the fields of tourism, sports, education and culture had surged. The people-to-people contacts had also rapidly increased. In 1995, 10,000 Taiwanese businessmen and tourists visited Russia while more than 1,000 Russians travelled to Taiwan.¹⁰²

Taipei viewed ties with Russia as an important aspect of its pragmatic diplomacy. It sought to develop formal political relations while expanding trade and economic ties with Russia. In return, Moscow responded positively to Taipei's desire for the development of ties and decided to establish unofficial bilateral relations.¹⁰³ In 1992, due to Taiwan's increasing influence in the Asian-Pacific region and further contacts between Taiwan and Russia, President Boris Yeltsin issued an administrative decree to facilitate Russo-Taiwanese relations.¹⁰⁴ The Taipei representative office in Moscow was inaugurated in July 1993 and the Russian representative office in Taipei

⁹⁹ . Ralph N. Clough, *Reaching across the Taiwan Strait: People-to-People Diplomacy*. Boulder, Colorado: Westview Press, 1993, pp.112-115.

¹⁰⁰ . "Russo-Taiwanese Relations in Progress Make a Break-through—Russia Will Establish a Representative Office in Taiwan Next Month," ("中俄关系突破进展—俄罗斯下月来华设处,") *Central Daily News, International Edition* (中央日报, 国际版), October 8, 1996, p.1.

¹⁰¹ . Tun-jen Cheng, Chi Huang and Samuel S. G. Wu (eds), *Inherited Rivalry: Conflict across the Taiwan Strait*. Boulder and London: Lynne Rienner Publisher, 1995, p.71.

¹⁰² . Zhou Yilun, "Russia Will Establish a Representative Office in Taiwan by the End of Next Month," (周怡伦, "俄下月底来华设处,") *United Daily News* (联合日报), October 20, 1996, p.2.

¹⁰³ . Peter Ferdinand (ed.), *Take-off for Taiwan?* London: Royal Institute of International Affairs; Pinter, 1996, p.93.

¹⁰⁴ . Chikahito Harada, *Russia and North-east Asia*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.41.

became operational in December 1996.¹⁰⁵ In 1993, the two sides signed a joint commercial agreement to open direct airline links. In 1996, the two sides were negotiating for an accord of marine navigation. Also, they sought to sign a cooperation agreement to boost bilateral trade.¹⁰⁶ Meanwhile, Taiwan tried to establish diplomatic relations with some former Soviet republics but failed.¹⁰⁷

Russo-Taiwanese economic relations had made further progress since the early 1990s. Taiwan made an effort to increase its share of the Russian market. Russia sought to promote substantial trade exchanges between the two sides. It believed that Taiwan and Russia had complementary trade domains and structures. Taiwan's exports to Russia were mainly consumer goods. In addition, Russia needed high quality information technology, telecommunications and electronics products. In terms of these technologies and goods, Taiwan had a relatively strong competitive capacity that could export to Russia at reasonable prices. Russia had abundant natural resources, especially gas and crude oil. 90 percent of Taiwan's imports from Russia were basic necessities for Taiwan's industry such as metals and other raw materials. Also, Taiwan was interested in importing petroleum and liquefied gas from Russia.¹⁰⁸ Since Taiwan opened direct trade links with Russia in 1990, two-way trade greatly increased, from US\$ 119 million in 1990 to more than US\$ 1.8 billion in 1995.¹⁰⁹ In 1996, Russia imported US\$ 141.20 million worth of Taiwan-made products while Taiwan imported US\$ 1.63 billion worth of goods from Russia.¹¹⁰

¹⁰⁵ "Transcript of Interview with Russian Envoy in Taiwan," *Central News Agency* (hereafter *CNA*) (Taipei), October 14, 1998.

¹⁰⁶ "Transcript of Interview with Russian Envoy in Taiwan," *CNA*, October 14, 1998; Yen Ling-ju and Sofia Wu, "ROC-Russian Ties Make Headway," *CNA*, November 3, 1998; "Chapter 2—ROC's Relations with West Asian Region—9. ROC's Relations with the Russia Federation," in *Yearbook of ROC Diplomacy 1997*. ("第二项, 我国与西亚地区关系一九, 我国与俄罗斯联邦关系," 八十六年外交年鉴), Ministry of Foreign Affairs, Republic of China (中华民国外交部), on the World Wide Web at <http://www.mofa.gov.tw>.

¹⁰⁷ Lowell Dittmer, "The Sino-Russian Strategic Partnership," *Journal of Contemporary China*, Vol.10, No.28, August 2001, p.402.

¹⁰⁸ Deborah Kuo, "Russia Crisis Not Affecting Trade with Taiwan, Says REP.," *CNA*, September 8, 1998; Yen Ling-ju and Sofia Wu, "ROC-Russian Ties Make Headway," *CNA*, November 3, 1998; H.K. Chang and Flor Wang, "ROC Representative Visits Sakhalin, Vladivostok," *CNA*, April 27, 1999.

¹⁰⁹ "Transcript of Interview with Russian Envoy in Taiwan," *CNA*, October 14, 1998.

¹¹⁰ Ben Wu, "Russia's Ills Not Expected to All ROC," *CNA*, August 26, 1998.

In the mid-1990s, Taiwan became Russia's fourth largest trading partner in Asia following the PRC, Japan and South Korea.¹¹¹ However, for the period of 1991-1995, Russia's dealings with Taiwan equalled less than one-seventh of the trade volume of such between the PRC and Russia.¹¹² If Russia calculated its commercial interests, the PRC was therefore obviously a larger trading partner than Taiwan. The PRC ranked third in Russia's list of trading partners while Russia was the eighth largest partner of the PRC.¹¹³ More important, Russia undertook a large number of weapon transactions with the PRC.

Moscow was desperate for Taiwanese investment and encouraged Taiwan's companies to do so. Russia appeared to be an attractive market for Taiwan, which viewed it as a great potential for investment because of its vast market, rich natural resources and strong industrial base. Yet, although Taiwanese entrepreneurs were interested in investing in some Russian industrial sectors, their investment in Russia remains limited. They hesitated to build large projects because of the Russia's unstable political situation and poor economic conditions as well as the stagnation of bilateral political relations¹¹⁴

Generally speaking, the prospects for Russo-Taiwanese trade and economic cooperation appeared unpromising. Therefore, Russia had economic interests in Taiwan but they were not vital. This made Moscow consider that PRC-Russian relations were far more important than Russo-Taiwanese relations.

Politically, there was no close contact between Moscow and Taipei, despite some engagement in low-profile cooperation such as preventing and combating crime.¹¹⁵ There was political support for Taiwan in Russia despite the pro-PRC administration that pursued PRC-Russian strategic cooperation and the legislative body which was dominated by the communists. Many people in Russian political circles, including

¹¹¹ . Jennifer Anderson, *The Limits of Sino-Russian Strategic Partnership*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.63.

¹¹² . Chikahito Harada, *Russia and North-east Asia*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.41.

¹¹³ . "Jiang's Russian Visit a Significant Event: Rogachev," *Beijing Review*, May 5-11, 1997, p.7.

¹¹⁴ . "Transcript of Interview with Russian Envoy in Taiwan," *CNA*, October 14, 1998; Yen Ling-ju and Sofia Wu, "ROC-Russian Ties Make Headway," *CNA*, November 3, 1998; Wendy Chung, "Chinatrust to Set Up Russian Branch Requires Another Ten Years," *CNA*, July 8, 1999.

¹¹⁵ . Tao Lingyu, "A Russian Admiral on the Active Service List Came to Taiwan Meeting the Director of Taiwan's National Security Bureau," (陶令瑜, "俄罗斯现役上将秘密来台见国安局长,") *The Journalist*, (新新闻), August 23-28, 1998, pp.17-18, 21.

some prominent politicians, had visited Taiwan and advocated further bilateral relations. The Liberal Democratic Party (LDP) led by Vladimir Zhirinovsky, who was famous for his nationalism, beat the drum for Taiwan. The LDP's parliamentarian, Alex Mitrofanov, chairman of the Committee of Geopolitics of the State Duma, formed a group of pro-Taiwan parliamentarians making preparations for a bill dealing with Russia's relations with Taiwan in 1996.¹¹⁶ However, their initiative failed to win majority support in the Russian parliament.¹¹⁷

It stands to reason that since both Russia and Taiwan were now Western-style democratic systems and capitalist economies, they ought to have good bilateral political relations. However, the political relationship between Russia and Taiwan was limited by PRC-Russian strategic cooperation. Indeed, at a time when the PRC and Russia were maintaining closer ties, a breakthrough in Taiwanese-Russian formal political relations was not easily accomplished. In Russia's considerations of foreign policy, the weight of Russo-Taiwanese relations was limited while the leverage of PRC-Russian relations was considerable.

2.1-3. Russia's Stance on the Taiwan Issue

Russia's stance on the Taiwan issue was determined by its acceptance of the 'One China' policy. Guided by this basic policy, it recognised the PRC as the only legitimate government of China and maintained that Taiwan is an inseparable province of Chinese territory. Russia had repeatedly declared that it would stick to the 'One China' policy. When President Yeltsin issued the administrative decree to shape Russo-Taiwanese ties in 1992, he instructed that Russia would not establish inter-governmental relations with Taiwan and Russia would develop substantial ties only on the basis of the principle of 'One China'.¹¹⁸ Beijing gained further support from Moscow for its claim of sovereignty over Taiwan in 1996.¹¹⁹ Russia's

¹¹⁶ . "The Republic of China Must Base Itself on the International Society," (" 中华民国必能立足国际社会 , ") *Central Daily News, International Edition* (中央日报, 国际版), October 8, 1996, p.2.

¹¹⁷ . "Transcript of Interview with Russian Envoy in Taiwan," *CNA*, October 14, 1998.

¹¹⁸ . Chikahito Harada, *Russia and North-east Asia*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.41.

¹¹⁹ . "Joint Statement by the People's Republic of China and the Russia Federation," *Beijing Review*, May 13-19, 1996, p.6.

unofficial links with Taiwan were by and large in economic cooperation, and the trade, technological and cultural sectors.

Militarily and politically, Taiwan and the Taiwan Strait issue were important in Moscow's view of the strategic pattern of the Asia-Pacific region, but not fundamental or critical to Russian interests. In 1996, the pro-Taiwan Russian parliamentarians advocated that from a geo-political perspective of gaining a favourable regional balance of power, Russia should play a role in the dispute over Taiwan's status and not allow the PRC and the US to dominate the Taiwan Strait.¹²⁰ However, this advice was not taken as there was no imperative need for Russia to be involved in the dispute over Taiwan.

To a great extent, Moscow's support for Beijing over the Taiwan issue was driven by concern over its own domestic political stability and ethnic issues. Both Moscow and Beijing were burdened with complex ethnic problems at home. The Russian Federation was troubled by ethnic independence claims. The PRC leadership also faced internal instability, including secession tendencies in Xinjiang, Tibet and Inner Mongolia besides the Taiwan independence movement. In terms of national stability and unity, the PRC and Russia converged in their fundamental and long-term interests. Beijing and Moscow had agreed to non-interference in each other's internal affairs and mutual support in opposition to interference from the Western countries, mainly the US. Moscow actively supported Beijing's stand on Taiwan in exchange for the PRC's acceptance of Russia's policy toward Chechnya. Beijing supported Russia's perseverance in maintaining its national sovereignty, unity and territorial integrity, and maintained that the Chechnya issue was an internal affair of Russia.¹²¹

Although the PRC and Russia cooperated strategically and had a close military relationship, there was no necessity for Moscow to support Beijing in forcefully seeking to reunify Taiwan with mainland China. It was significant to refer to the former Soviet Union's stance in this matter because, in terms of policy toward Taiwan, Russia basically carried on from that of the former Soviet Union. Even

¹²⁰ . "The Republic of China Must Base Itself on the International Society," (" 中华民国必能立足国际社会, ") *Central Daily News, International Edition* (中央日报, 国际版), October 8, 1996, p.2.

during the period of the PRC-Soviet alliance in the 1950s, Moscow did not openly back the idea of Beijing settling the Taiwan issue by military means. In the early 1950s, Stalin did not back a PRC invasion of Taiwan despite publicly supporting Beijing's policy of reunifying with Taiwan.¹²² In the late 1950s, one of the preconditions for Moscow providing nuclear aid was that Beijing had to give an assurance that it would not take independent military action over Taiwan.¹²³ In 1959, Khrushchev advised the PRC leaders to drop the idea of militarily liberating Taiwan and work out a peaceful solution to the problem.¹²⁴ The Russian leaders continued to follow this line of policy on Taiwan. They would support a peaceful resolution rather than a forcible settlement of the Taiwan issue.¹²⁵

The PRC-Russian strategic partnership was more of a political alignment than a military alliance. It served Russia's strategic objectives as a useful check to US global dominance and a leverage to balance the Japan-US alliance. Having neither vital economic interests nor immediate security interests in Taiwan, Moscow wanted to avoid being dragged into an armed conflict over Taiwan on Beijing's behalf. It did not wish to damage Russo-Western relations because of an involvement in disputes over Taiwan. During the 1995-96 Taiwan Strait crisis, Moscow explicitly gave its diplomatic support for Beijing's stand on Taiwan.¹²⁶ However, there was no evidence to suggest that the Russian armed forces would back the PLA's massive manoeuvres off Taiwan.¹²⁷

2.1-4. Evaluation of the Russian Factor in the Taiwan Issue

¹²¹ . "Joint Statement by the People's Republic of China and the Russia Federation," *Beijing Review*, May 13-19, 1996, p.6.

¹²² . Sergei N. Goncharov, John W. Lewis and Xue Litai, *Uncertain Partners: Stalin, Mao and the Korean War*. Stanford, California: Stanford University Press, 1993, p.211.

¹²³ . John Gittings, *Survey of the Sino-Soviet Dispute: A Commentary and Extracts from the Recent Polemics 1963-1967*. London, New York and Toronto: Issued under the auspices of the Royal Institute of International Affairs [by] Oxford University Press, 1968, p.103.

¹²⁴ . Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, p.42.

¹²⁵ . Jennifer Anderson, *The Limits of Sino-Russian Strategic Partnership*. Oxford: Oxford University Press for the International Institute for Strategic Studies, 1997, p.63.

¹²⁶ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.145.

¹²⁷ . Shortly after the Taiwan crisis, Moscow declared that it expected the Taiwan issue would be resolved peacefully. See Zhou Qingchang, "Yeltsin Visit to Further Cement Ties: Rogachev," *Beijing Review*, April 29-May 5, 1996, p.7.

Maintaining close and friendly PRC-Russian relations was significant for both Beijing and Moscow's domestic concerns, foreign relations and world strategy. This diplomatic and strategic consideration largely accounted for the establishment of the PRC-Russian strategic partnership. The partnership had resulted in a change in the geo-strategic geometry, reshaping the regional and global balance of power. The major powers had to readjust their mutual relations and respective foreign policies in light of such a new strategic situation. The PRC-Russian strategic partnership had posed a challenge to the American hegemony reminding Washington that it could not dominate world affairs and boosting both major powers' bargaining position *vis-à-vis* the United States. Also, it was a warning to the US-Japan military alliance that Washington and Tokyo could not enlarge their security system into an eastern NATO. In keeping with this strategic convergence, Russia would diplomatically support the PRC over the Taiwan issue and oppose any expanded military role of the Japan-US security alliance in the Asia-Pacific region. In return, Beijing would back Moscow in opposition to NATO's expansion and growing Western encroachment on the Russian sphere of influence.

Having no direct stake in Taiwan, Russia had no wish for a major role in the question of Taiwan's status. Russia's policy toward Taiwan was based on both PRC-Russian relations and the world strategic pattern. It had basically been reflected in the pursuit of Russia's own national interests, being principally out of concern for Russia's own domestic problems. Also, Russia's support for the PRC policy towards Taiwan was aimed at strategic cooperation with the PRC in the international arena for its possible resurgence as a world great power. Russia's position would be taken into account in shaping the balance of power in the Taiwan Strait and the Asia-Pacific region in spite of its declining national strength and relatively decreased voice on the Taiwan issue. Russia's influence on Taiwan and the region could be exploited by Beijing to balance respective geo-political forces involved in Taiwan's status.

In any case, the PRC-Russian strategic partnership was very different from the PRC-Soviet alliance in the 1950s. The former was more in the nature of a military alliance but the latter was largely for strategic cooperation on the international issues. Although Beijing had considered the need for closer military ties with Russia to

strengthen its position on Taiwan, Moscow was reluctant to let such ties target Taiwan. For these reasons Russia was not viewed as having a great influence upon the 1995-96 Taiwan crisis.

2.2. The Japanese Factor in the Taiwan Issue

Historically a suzerain state, Japan is connected Taiwan in many respects. Geographically proximal and a major global and regional power, Japan has strategic and security concerns over Taiwan. Economically and politically, it also has close ties with Taiwan. Thus, Japan has an influence upon Taiwan and plays an important role in the island's status.

2.2-1. PRC-Japanese Relations¹²⁸

In modern history, Japan and China were long-standing mutual enemies due to the wars of Japanese aggression against China. In 1895, China was defeated and the Chinese Qing government was forced to sign the Treaty of Shimonoseki, ceding Taiwan to Japan. After Japan lost World War II and withdrew from Taiwan, China recovered it in August 1945.

Following the Communists' victory over the Nationalists in the Chinese civil war in 1949, Chiang Kai-shek escaped from the mainland and transplanted his government to Taipei. Chiang's Nationalist government continued to insist, with US support, that it was the legitimate government of all of China. In the meantime, Japan moved from being an enemy to being an ally of the United States. For common interests, Tokyo and Taipei united together and joined the US-led Western anti-Communist alliance to deter Soviet and PRC communist expansion. When the PRC joined the Soviet-led Communist bloc, Japan and the US concluded a security treaty in 1951 and Taiwan and the US signed a mutual defence treaty in 1954. Hence, both Japan and Taiwan were members of a US-led close network of military

¹²⁸ . For an overview of PRC-Japanese relations, see Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002;

security treaties. During the early Cold War period strong rivalry developed between Japan and the PRC. The PRC-Soviet Alliance of 1950 was openly directed against Japan.¹²⁹ The latent conflict between the PRC and Japan nearly broke out during the Korea War of 1950-1953 because Japan provided strong and effective logistic support to the American troops.¹³⁰ Taiwan's status also helped to maintain tensions between Beijing and Tokyo. The Japanese government recognised the ROC government as the sole legal government of China and concluded a peace treaty, terminating the state of the Chinese-Japanese war of 1937-1945, with the ROC rather than the PRC.¹³¹ Furthermore, Japan followed the US in containing the PRC and supporting the ROC in the confrontation between Beijing and Taipei.

Technically, the PRC and Japan remained in a state of war. Both the US troops stationed in Japan and the US-Japan military alliance perceived by Beijing to be the main source of threat to the PRC's national security. In particular, Beijing viewed Japan's formal diplomatic relations and close contacts with Taiwan as Tokyo's plot to create an independent Taiwan and split China. However, the two nations continued to maintain and develop trade ties.

For Beijing's part, it attempted to influence Japan's China policy through economic exchanges. It believed that Japanese businessmen cared for nothing but profit, and that they would lobby the Japanese government to pursue a policy in favour of the PRC. For example, Chinese Premier Zhou Enlai demanded that Japan should provide neither aid nor investment to Taiwan.¹³² Thus a non-governmental agreement on trade and fishing was reached and economic and technological exchanges were conducted between the two countries. Thereby Japan benefited from

Wu Xuewen, Lin Liande and Xu Zhixian, *Chinese-Japanese Relations: 1945-1994* (吴学文·林连德·徐之先, *中日关系 1945-1994*). Beijing: The Press of Current Events (时事出版社), 1995.

¹²⁹ . One of the objectives of the Sino-Soviet Treaty of Friendship, which was concluded in 1950, was to contain Japan. See R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.8-9.

¹³⁰ . R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.3-8.

¹³¹ . R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.8, 13, 210, 216-217.

¹³² . For the relationship between politics and economy in PRC-Japan trade in the 1950s and 1960s, see Wolf Mendl, *Issues in Japan's China Policy*. London: Macmillan, 1978, p.11; Marius B. Jansen, *Japan and China: From War to Peace, 1894-1972*. Chicago: Rand McNally College Publishing Company, 1975, pp.58-59; Akira Iriye, *China and Japan in the Global Setting*. Cambridge, Massachusetts: Harvard University Press, 1992, pp.103-110, 115-119; Christopher Howe (ed.), *China and Japan: History, Trends, and Prospects*. Oxford: Clarendon Press; New York: Oxford University Press, 1996, p.14.

a favourable trade balance with the PRC while Beijing sought to attain its political objectives by economic means.¹³³

Beijing tried its best to win Tokyo's diplomatic recognition in the competition for national legitimation between the ROC and the PRC. Besides economic bait, Beijing exerted political pressure on Japan.¹³⁴ Since 1958, Zhou had put forward the three principles for the normalisation of PRC-Japanese relations and demanded Japanese acceptance. These three principles were that (1) Japan should recognise the PRC Government as the sole legal government of China; and (2) Taiwan as an inalienable part of the territory of the PRC; (3) Japan should renounce the "Japan-Taiwan treaty", which recognised the ROC as the legitimate government of China, as illegal and invalid and should abrogate it.¹³⁵

Japan basically accepted these three principles despite having reservations. Thereby it normalised relations with the PRC in 1972. Japanese Prime Minister Kakuei Tanaka paid a visit to the PRC and then on the 29 September the Sino-Japanese Joint Statement was signed, in which the two nations proclaimed that the state of war was ended and diplomatic relations were established.¹³⁶

PRC-US reconciliation brought about by concern regarding the Soviet threat gave an impetus to the normalisation of PRC-Japan relations. Japan largely followed American foreign policy after the Second World War. During the Cold War, Japan was a firm ally of the US, helping to contain the Soviet Union. From 1945-1971, Japan sided with the US in PRC-US hostility. It was not until President Nixon's visit to the PRC in 1972 that Japan began to realise the necessity for normalisation of bilateral relations with the PRC. Beijing was also eager to terminate the abnormal state of affairs which had hitherto existed between Japan and the PRC. Faced with the growing threat of the Soviet Union and the evolving international situation of the

¹³³ . Christopher Howe (ed.), *China and Japan: History, Trends, and Prospects*. Oxford: Clarendon Press; New York: Oxford University Press, 1996, p.14; R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.26-42, 64-81.

¹³⁴ . Especially in the early 1970s, "the Chinese intensified their drive for normalized relations with Japan. Persuasive pressure was applied on every Japanese delegation visiting China for changes in Japan's China policy." See James C. F. Wang, *Contemporary Chinese Politics: An Introduction (Fourth Edition)*. Englewood Cliffs, New Jersey: Prentice Hall, 1992, p.350.

¹³⁵ . For an evolution of these three principles, see R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.43-44, 64, 74, 97, 228.

¹³⁶ . "Joint Statement of the Government of the People's Republic of China and the Government of Japan," *Peking Review*, October 6, 1972, pp.12-13.

early 1970s, Beijing intended to defend its own security and enhance its status in shaping the balance of power in the Asia-Pacific region. In order to collaborate with Japan in opposition to the Soviet Union and diplomatically compete with Taiwan, the PRC chose not to claim the payment of reparations from Japan when diplomatic relations were established.¹³⁷

In August 1978, the Sino-Japanese Treaty of Peace and Friendship was signed and came into effect in October of that year. It included an “anti-hegemony” clause aimed at the Soviet Union.¹³⁸ At first Japan rejected this because it was worried that it might be dragged into a conflict with the Soviets. However, Beijing insisted upon the clause, intending to draw Tokyo into a common anti-Soviet nexus of relations and Japan ultimately accepted, after Chinese insistence and American persuasion. The “anti-hegemony” clause was an implicit understanding that the two nations would oppose Soviet hegemonism in the Asia-Pacific region, acting in co-ordination with American strategy. In fact the PRC, Japan and the US made an alliance to deter the Soviet Union. Because containing the Soviet invasion and expansion became a matter of prime importance, the PRC and Japan temporarily shelved most of their bilateral disputes.

The two countries maintained good relations in the 1980s, despite some problems. After the Communist regime’s military crackdown on democracy demonstrators in Tiananmen Square on 4 June 1989, Japan partly took part in the Western countries’ sanctions against the PRC, but continued its substantial commercial relations with the PRC. It lifted its partial sanctions and restored Japanese government loans to the PRC in 1990.¹³⁹

¹³⁷ . The PRC government declared that “in the interests of the friendship between the peoples of China and Japan, it renounces its demand for war indemnities from Japan.” See “Joint Statement of the Government of the People’s Republic of China and the Government of Japan,” *Peking Review*, October 6, 1972, p.12. However, this has given rise to much controversy inside the PRC. See Zuo Ni, “The Suppression of the Chinese Communist Regime of the Masses’ Demand for Payment of Damages by Japanese Invasion Arouses Public Indignation,” (左逆, “中共压制向日索赔动公愤,”) *Cheng Ming Monthly* (争鸣), No.215, September 1995, pp.16-18.

¹³⁸ . “China and Japan Sign Peace and Friendship Treaty,” *Peking Review*, August 18, 1978, pp.6-8; “China-Japan Treaty of Peace and Friendship Goes into Effect,” *Peking Review*, October 27, 1978, p.3.

¹³⁹ . Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China’s Search for Security*. New York and London: W. W. Norton & Company, 1997, p.89; Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.61, 118-120.

The end of the Cold War and the fall of the Soviet Union also had an impact on PRC-Japan relations. The disappearance of the common enemy removed the security concern of the Soviet threat, a key facet of Chinese-Japanese relations. Thus, fundamental differences and major disputes were again exposed. The competition for Asian domination between the two major powers emerged again with accusations over armaments expansion. In bilateral relations, in addition to trade imbalances, there were three major issues. First was the unresolved issue of Japanese aggression against China from 1937 to 1945. The Japanese government stated only that it “deeply reproaches itself”,¹⁴⁰ but the PRC government insisted on its demand that a formal apology be made. Second was the territorial disputes over the Diaoyu/Senkaku Islands.¹⁴¹ Third was the Taiwan issue. In particular, it became more controversial and sensitive as Taiwan’s domestic political situation changed and ROC President Lee Teng-hui’s pro-Japanese attitude was increasingly revealed. From the early 1990s, the frictions between the two nations over Taiwan increased.

However, the PRC and Japan had to cooperate because of mutual need and respective interests.¹⁴² Political dialogue and diplomatic consultations between the two nations have been established on a regular basis while holding talks on the issue of security.¹⁴³ The leaders of the two countries had exchanged visits, including CPC General Secretary Jiang Zemin’s visit to Japan in 1992, Vice-Premier Zhu Rongji’s visit to Japan in 1994; Emperor Akihito’s visit to the PRC in 1992, Prime Minister Morihiro Hosokawa’s visit to the PRC in 1994 and Prime Minister Tomiichi Murayama’s visit to the PRC in 1995.¹⁴⁴ In particular, the two economies were

¹⁴⁰ . “Joint Statement of the Government of the People’s Republic of China and the Government of Japan,” *Peking Review*, October 6, 1972, p.12.

¹⁴¹ . See Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, 13-14, 41, 54-55; R. K. Jain, *China and Japan 1949-1980*. Oxford: Martin Robertson & Co. Ltd., 1981, pp.202-203; “Backgrounder: History Proves Diaoyu (Senkaku) Islands Are China’s Territory,” *Beijing Review*, September 23-29, 1996, p.10.

¹⁴² . For the strategic and diplomatic considerations of both Beijing and Tokyo in developing PRC-Japan relations and seeking to cooperate on the major international issue, see Wu Xuewen, Lin Liande and Xu Zhixian, *Chinese-Japanese Relations: 1945-1994* (吴学文·林连德·徐之先, *中日关系 1945-1994*). Beijing: The Press of Current Events (时事出版社), 1995, pp.324-326, 361-372.

¹⁴³ . In 1994 Japan and the PRC conducted their first talks over security. See Christopher Howe (ed.), *China and Japan: History, Trends, and Prospects*. Oxford: Clarendon Press; New York: Oxford University Press, 1996, p.96.

¹⁴⁴ . Wu Xuewen, Lin Liande and Xu Zhixian, *Chinese-Japanese Relations: 1945-1994* (吴学文·林连德·徐之先, *中日关系 1945-1994*). Beijing: The Press of Current Events (时事出版社), 1995, pp.441-443; Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, p.56.

complementary to each other. Both benefited from economic cooperation and exchanges and economic relations developed significantly. In the mid-1990s, the PRC was the Japan's second largest investment recipient and trading partner, and Japan was the PRC's largest trading partner and the second largest investor.¹⁴⁵

2.2-2. Japan's Relations with, and Interests in, Taiwan¹⁴⁶

Historically, Taiwan was a Japanese colony from 1895 to 1945. This inclined some Taiwanese to take a pro-Japan stance. Many elder Taiwanese elite graduated from Japanese-language schools during the Japanese occupation, studied in Japanese universities and worked in Japanese companies in the 1930s and 1940s and therefore had a favourable opinion of the Japanese.¹⁴⁷ In particular, ROC President Lee Teng-hui was well known for his pro-Japanese attitude. This allowed Japan a degree of influence on Taiwan.

After Japan switched its diplomatic recognition from Taipei to Beijing in 1972, it maintained unofficial relations and continued its friendly and substantial ties with Taiwan. The two sides established representative offices in their respective capitals. They conducted close cooperation and had frequent economic, trade and cultural exchanges.

In the mid-1990s, the people-to-people exchanges and business links were very close and frequent. Annually, about 1.5 million visitors travelled between Japan and Taiwan.¹⁴⁸ Taiwanese visitors make up one of the largest groups of foreigner to visit Japan every year.¹⁴⁹

¹⁴⁵ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.130-153.

¹⁴⁶ . For an overview of Japan-Taiwan relations in the first half of the 1990s, see Greg Austin, "Taiwan and PRC Military Power in Japan's Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.82-91.

¹⁴⁷ . Gary Klintworth, *New Taiwan, New China: Taiwan's Changing Role in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.26-35.

¹⁴⁸ . Maubo Chang, "Foreign Minister Expects No Change in ROC-Japan Ties," *CNA*, July 13, 1998.

¹⁴⁹ . In 1997, nearly 860,000 Taiwan tourists visited Japan. See "Japan to Enact New Visa and Passport Policy toward Taiwan on June 8," *CNA*, May 19, 1998.

Taiwan and Japan had a close economic relationship. In the mid-1990s, Japan was Taiwan's second-largest trade partner and Taiwan was Japan's fourth-largest.¹⁵⁰ "Japan's exports to Taiwan in 1996 were worth US\$ 42.4 billion, while imports from Taiwan were valued at US\$ 29.7 billion."¹⁵¹ Japan was also Taiwan's largest foreign investor.¹⁵² Accumulated Japanese investment in Taiwan between 1972 and 1996 amounted to US\$ 7.4 billion, while Japan's investment in South Korea, whose population was twice Taiwan's, totalled only US\$ 5.9 billion during the same period.¹⁵³

Keeping key sealanes through the Taiwan Strait free and safe for international navigation is crucial for Japan. As a leader in world trade and an island nation, Japan is dependent on its links to the outside world. International sealanes, in particular those which pass by Taiwan and go through the Taiwan Strait, are Japan's lifeblood. The issue of free passage in the sealanes through the Taiwan Strait therefore has a most important bearing on Japan.

Taiwan is just 75 miles from the nearest Japanese island. If armed conflict happened in the Taiwan Strait, or if the PRC took control of Taiwan, there would be a potential threat to Japanese sealanes, lines of communication and economic well-being. Because a friendly Taiwan can ensure the Japanese sea routes remain unimpeded, Taiwan's security is seen as important to Japan.

There are further reasons why Taiwan has strategic significance for Japan. Obviously, in view of the competition between the PRC and Japan, a divided China is favourable to Japan because a reunified and powerful China could block any future Japanese road to Asian-Pacific hegemony. The PRC and Japan each sought a favourable balance of power in the post-Cold War Asia-Pacific region. In such a strategic competition, Japan could make advantage of Taiwan to balance the PRC.

These long-term and vital interests in Taiwan suggest that Japan hoped for an important role in addressing the question of Taiwan's status. However, because of its capacity as a former suzerain state, Japan had to handle the Taiwan issue cautiously,

¹⁵⁰ . Elizabeth Hsu, "Taiwan Trade Deficit with Japan to Surge to Historic High," *CNA* August 17, 1998.

¹⁵¹ . Edward Neilan, "Japanese Find New Links with Partners in Taiwan," *The Free China Journal*, May 1, 1998.

¹⁵² . Mike Chang, "ROC Representative in Japan Calls for Japanese Support," *CNA*, August 5, 1998.

as it was a very sensitive issue in PRC-Japan relations. Beijing was on its guard against Tokyo's possibly remaining ambitions for Taiwan.¹⁵⁴ Since 1994, Japan-Taiwan relations had given rise to much controversy between the PRC and Japan. The US was also concerned over Japan's intentions toward Taiwan. Since Japan surrendered its occupation of Taiwan in 1945, the US had prevented any Japanese hopes of reconquest. For example, when he visited the PRC in 1972, President Richard Nixon assured the Chinese leaders that the US would prevent Japan from seeking to retake Taiwan when the American military force withdrew.¹⁵⁵ Therefore, adopting a cautious approach in tackling the Taiwan issue, Tokyo did its best to remove Beijing's suspicion while considering Washington's attitude.

Lee Teng-hui had expressed his pro-Japanese opinion since 1994. He attended a Japanese-language school and completed his studies at Kyoto Imperial University in Japan. He spoke much better Japanese than he did Mandarin Chinese or Taiwanese, holding great feelings of warmth to, and gaining support from, Japanese. His public pro-Japanese expression stirred up a protest parade in Taiwan and the overseas Chinese community.¹⁵⁶ In particular, his pro-Japanese statements brought about stern rebukes from Beijing and deep suspicion of his intention in promoting emotional ties between Japan and Taiwan.¹⁵⁷ Although Tokyo appeared to favour a Japan-educated head of state in Taiwan and probably had a high regard for Lee's pro-Japanese stance, it did not dare to publicly appreciate or encourage it.

Since Lee came into office, Taipei had sought to upgrade relations with Japan. In February, 1993 ROC Foreign Minister Fredrick Chien paid a private visit to Japan.

¹⁵³ . Mike Chang and Sofia Wu, "New Japanese Envoy Vows to Boost Ties with Taiwan," *CNA*, March 24, 1998.

¹⁵⁴ . Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, p.88; Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, p.48.

¹⁵⁵ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.43-44.

¹⁵⁶ . For example, on August 13 1995, in marking "the anniversary of the 50th anniversary of Japan's surrender and the end of World War II", "thousands marched in Taipei" to demonstrate against Lee. In the meantime, "ruling party hard-liners signed a petition demanding that Lee not run for re-election in the island's first direct presidential election next March." See "Missile Rattling—Beijing Appears Determined to End Lee Teng-hui's Career," *Asiaweek*, August 25, 1995, pp.22-24.

¹⁵⁷ . Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.130; The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press

This was the first time an incumbent ROC foreign minister had visited Japan since Japan switched diplomatic recognition from the ROC to the PRC in 1972. However, no high-level Japanese officials met with Chien. Tokyo reiterated that Japan would maintain unofficial relations with Taiwan.¹⁵⁸ In addition, Taipei made an attempt to lobby the Japanese parliament to pass a bill that could be patterned after America's Taiwan Relations Act and lay a legal framework to facilitate Japanese-Taiwanese contacts. Yet, its attempt failed. There was political support for Taiwan in Japan, such as that from a group of pro-Taiwan parliamentarians. However, it was "fragile", and was "based on individuals rather than an institutionalised system". The domestic political situation compelled the Japanese government to act with care in dealing with Japan-Taiwan relations. Meanwhile, major political change in Taiwan had not significantly affected Japan-Taiwan relations and Tokyo did not explicitly express its support for Taipei's "diplomatic goals".¹⁵⁹

However, Lee persevered in attempting to realise his wish to visit Japan. In finding a pretext for a Japan trip, he focused on seeking an invitation to attend the Asian Games in Hiroshima in October 1994 and an Asia Pacific Economic Cooperation (APEC) meeting in Osaka in November 1995. In Summer 1994, the President of the Olympic Council of Asia (OCA) extended an invitation to Lee to attend the opening ceremony of the Asian Games as an honoured guest. The invitation drew protests from Beijing, which threatened that the PRC would withdraw from the athletic event and adopt other retaliatory measures if Tokyo allowed Lee to enter Japan. The Japanese government decided to not grant Lee a visa and the OCA president withdrew his invitation. Lee was forced to cancel his plan to attend the ceremony.¹⁶⁰

(九洲图书出版社), 1998, pp.115-116.

¹⁵⁸ . Susan Yu, "No Hidden Agenda for Chien's Trip to Japan," *The Free China Journal*, February 19, 1993.

¹⁵⁹ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.94-95; Greg Austin, "Taiwan and PRC Military Power in Japan's Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.82-84.

¹⁶⁰ . Inoguchi Takashi and Purnendra Jain (eds), *Japanese Foreign Policy Today: A Reader*. New York, N.Y.: Palgrave, 2000, p.235; Greg Austin, "Taiwan and PRC Military Power in Japan's Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.82-85; Wu Xuewen, Lin Liande

Since sports diplomacy failed, Lee schemed to make a Japan trip by participating in an unofficial summit of leaders from APEC forum countries. Beijing threatened to boycott the summit and warned Tokyo of possible untoward consequences if Lee was invited to attend.¹⁶¹ Again, Tokyo was forced to accept Beijing's requirement. When he visited the PRC in May 1995, Japanese Prime Minister Tomiichi Murayama assured the PRC leaders that the arrangement for Taiwan's participation in the third APEC summit would be same as those of the previous two summits in Seattle and in Bogor.¹⁶² This meant that, as before, Taiwan would only be allowed to send a senior economics minister to represent Lee to the summit. After being granted a visa to visit the US in May, Lee was encouraged and demonstrated determination to go to Osaka in November. Until the eve of the summit, Lee did not give up his attempt to attend.¹⁶³ Nevertheless, at a time when Lee's US visit caused tensions in PRC-US relations and cross-strait relations, Tokyo was even less unlikely to issue Lee a visa. Obviously, an approval of Lee's visit would seriously strain ties between Japan and the PRC. Lee then sought a trip to Japan on an other pretext. He attempted to enter Japan at the invitation of his Japanese alma mater, Kyoto University. Beijing strongly urged Tokyo not to allow Lee to visit the university, warning that it would harm PRC-Japan relations. Tokyo had to keep its national door shut tight against him.¹⁶⁴ This demonstrated that Japan made an effort to prevent any deterioration in the relations between the PRC and Japan and avoid any worsening of the situation in the Taiwan Strait.

2.2-3. Japan's Stance on the Taiwan Issue

Japan's basic stance on the Taiwan issue was stated in a joint communiqué with the PRC issued in 1972 when relations were normalised. The Japanese government

and Xu Zhixian, *Chinese-Japanese Relations: 1945-1994* (吴学文·林连德·徐之先, *中日关系 1945-1994*). Beijing: The Press of Current Events (时事出版社), 1995, pp.444-445.

¹⁶¹ . "News Brief by Chinese Foreign Ministry," *Beijing Review*, April 3-16, 1995, p.25; "News Brief by Chinese Foreign Ministry," *Beijing Review*, October 9-15, 1995, p.20.

¹⁶² . "Murayama Rues Japanese Aggression," *Beijing Review*, May 22-28, 1995.

¹⁶³ . "Taipei and Tokyo Fail to Agree on Delegate to APEC Summit," *The Free China Journal*, November 10, 1995.

¹⁶⁴ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, p.41.

recognised the PRC government “as the sole legal government of China”, and “fully understands and respects” the PRC stand that “Taiwan is an inalienable part of the territory” of the PRC.¹⁶⁵ As soon as the Sino-Japanese Joint Statement was published, the “Japan-Taiwan treaty” was declared to be terminated by Japanese Foreign Minister Masayoshi Ohira.¹⁶⁶ This indicated that Japan adhered to its stand of complying with the Potsdam Proclamation that waived its sovereignty over Taiwan and reaffirmed it had returned Taiwan to China, but did not recognise Taiwan as an integral part of the PRC. Its non-acceptance of the PRC’s sovereign claim to Taiwan implied that Japan actually retained a degree of uncertainty about jurisdiction over Taiwan. Also, this demonstrated that Japan adhered to a ‘one-China’ policy, but it differed from the PRC’s version of the ‘One-China’ principle.¹⁶⁷

Japanese reservations were a basis for handling relations with Taiwan, but became a source of friction between the two countries over the Taiwan issue. Since the early 1990s, Beijing had pressured Tokyo to sign a second Sino-Japanese joint communiqué or publish a statement to clarify further its position on Taiwan. However, Tokyo insisted that Japan’s position on the status of Taiwan had been outlined in the 1972 Sino-Japanese Joint Statement and was reluctant to publish a new statement.¹⁶⁸ Tokyo simply repeated its past statements on the Taiwan issue and did not promise further explanation despite being urged to do so by Beijing. It restated that there is only one China and it would keep its relations with Taiwan strictly on a non-official level. For example, on November 14 1994, Prime Minister Tomiichi Murayama said that Japan would continue to abide by its stance on the Taiwan issue as contained in the Sino-Japan Joint Statement. Japan would hold to a

¹⁶⁵ . “Joint Statement of the Government of the People’s Republic of China and the Government of Japan,” *Peking Review*, October 6, 1972, pp.12-13.

¹⁶⁶ . “Foreign Minister Masayoshi Ohira Holds Press Conference,” *Peking Review*, October 6, 1972, p.15.

¹⁶⁷ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, p.57.

¹⁶⁸ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, p.95; Naoko Nakamae and James Kynge, “ ‘Small Group’ Blamed for War Record,” *The Financial Times*, November 28, 1998; Philippe Noubel, “Japanese Slap into a Chinese Face?—1998 Sino-Japanese Summit: A Diplomatic Failure,” *Inside China*, January 19, 1999.

'one China' policy and would not support the idea of "two Chinas".¹⁶⁹ Without undertaking more commitments on the question of Taiwan in response to Beijing's demands, this was still within the expression of Japan's stance on Taiwan as contained in the 1972 joint statement.

With respect to the issue of Taiwan independence, the Japanese government's position was that it would not support such a claim. On the status of Taiwan, Tokyo maintained "the continuation of the status quo". It advocated that the cross-Taiwan Strait disputes should be settled peacefully through dialogue. It did not want to be involved in an armed conflict with the PRC over the Taiwan issue.¹⁷⁰

2.2-4. Japan's Responses to Events in the Taiwan Strait during 1995-96¹⁷¹

When tensions arose from cross-strait relations and the PRC staged war games in late 1995, Tokyo called on Beijing to calm matters. Tokyo considered that the PRC's missile tests between the 8th and 15th of March 1996 affected Japanese civil air traffic, sea navigation and the fishing industry. On March 6, Ryozi Kato, director general of the Japanese Foreign Ministry's Asian Affairs Bureau, summoned Counsellor Zheng Xianglin of the PRC Embassy, expressing concern over the PRC's planned test-firing of missiles. Kato said that "Tokyo is worried that 'something unexpected' may happen as the missile tests will be conducted near Japanese territory and waters, or some 60 km from Yonaguni island". Kato told Zheng that the Japanese government called on the PRC government to exercise restraint, and

¹⁶⁹ . Wu Xuwen, Lin Liande and Xu Zhixian, *Chinese-Japanese Relations: 1945-1994* (吴学文 . 林连德 . 徐之先 , 中日关系 1945-1994). Beijing: The Press of Current Events (时事出版社), 1995, pp.445-446.

¹⁷⁰ . Kokubun Ryosei, "Japan-China Relations After the Cold War: Switching from the '1972 Framework'," *Japan Echo*, Vol.28, No.2, April 2001, pp.13-14; Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.48, 95.

¹⁷¹ . For Japan's diplomatic responses to PRC military exercises during the Taiwan Strait crisis of 1995-96, see Greg Austin, "Taiwan and PRC Military Power in Japan's Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.94-104; Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.97-98.

hoped tensions across the Taiwan Strait would be resolved through peaceful means.¹⁷²

On March 8, Tokyo continued urging Beijing to exercise restraint. Chief Cabinet Secretary Seiroku Kajiyama said that “Tokyo would like to give Beijing due warning because the missile exercises were conducted near Japanese territory.” Prime Minister Ryutaro Hashimoto expressed his anxiety saying that the situation was moving “in an unfortunate direction”. Foreign Minister Yukihiko Ikeda said that the Japanese government might “take further measures after seeing how the missile tests affect civil aviation, sea transport and fishing.”¹⁷³ On March 11, Vice Foreign Minister Sadayuki Hayashi stated that Tokyo understood Washington’s decision to send the two aircraft carriers to waters near Taiwan. “We consider that the U.S. move reflects its strong interest in peace and stability in the region”.¹⁷⁴

In the meantime, the Japanese Embassy in Beijing conveyed the Japanese government’s grave concerns about the Taiwan crisis to the PRC government while making representations to the PRC Foreign Ministry about the military exercises of Chinese armed forces near Taiwan. Also, Tokyo exerted pressure on Beijing by suggesting that it might reconsider its continuing economic aid to the PRC.¹⁷⁵

Simultaneously, Tokyo called on Taipei to exercise restraint and not to “escalate tensions between it and the PRC”, while appealing to Beijing and Taipei to resume dialogue and peacefully resolve their disputes.¹⁷⁶ This demonstrated that Tokyo tried to keep a balance in tackling the problem of cross-strait military confrontation. Generally speaking, “the Japanese government maintained its cautious approach

¹⁷² . “Beijing Urged to Exercise Restraint in Planned Missile Tests,” *The Japan Times*, March 6, 1996.

¹⁷³ . “Chinese Missile Tests Draw Reaction from Tokyo,” *The Japan Times*, March 8, 1996.

¹⁷⁴ . “Japan Apprehensive About Chinese Missile Tests,” *The Japan Times*, March 11, 1996.

¹⁷⁵ . Greg Austin, “Taiwan and PRC Military Power in Japan’s Domestic Politics,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.96-100. Austin’s discourse does not indicate Japan’s postponement of its loans to the PRC. However, Andrew J. Nathan and Robert S. Ross believe that the loans were put off. “In reaction to Chinese nuclear tests and tension in the Taiwan Strait”, Japan “postponed formalization of the agreement” that it would “provide China with 580 billion yen in new loans for the period 1996-98”. See Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China’s Search for Security*. New York and London: W. W. Norton & Company, 1997, p.92.

¹⁷⁶ . Greg Austin, “Taiwan and PRC Military Power in Japan’s Domestic Politics,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.99-102.

throughout March 1996". By trying to "stay aloof", Tokyo sought to avoid provoking Beijing.¹⁷⁷

Militarily, the Japanese government prepared to take measures to deal with the Taiwan crisis. Prime Minister Hashimoto gave instructions to the Defence Agency for a study of any new developments in the situation in the Taiwan Strait and the impact of the crisis upon Japan. The Defence Agency paid close attention to the situation and researched contingency arrangements, secretly mapping out a plan to meet any possible exigency. The plan assumed that the PLA Air Force might launch an attack on the American Air Force base on Ryukyu Island as well as on Japanese Air Force bases. In response Japan's airforce would be deployed to defend their airspace. The Japanese Air Force dispatched its EP3 aircraft to fly over the East China Sea and collect intelligence.

However, by and large, the plan proposed that the Japanese Self Defence Forces would provide logistical support for US military operations in the event of an armed conflict over Taiwan between the PRC and the US. The plan required the preparation of military facilities and supplies, in particular refuelling services for American warships and medical treatment for US soldiers. Also, the plan required the collection of intelligence in preparation for support of the American military force.¹⁷⁸

However, in making contingency arrangements for a possible PRC military threat, the question of whether such arrangements would be lawful arose. Although Tokyo believed that this plan was based on the US-Japan mutual defence and security treaty, which stipulated that the Japanese forces had an obligation to provide logistical support to US troops, there was no clear and definite stipulations on the Taiwan issue.¹⁷⁹ The treaty ambiguously stated that Japan would provide support for US forces in the event of a regional conflict. On one hand, the PRC military manoeuvres clearly targeted Taiwan. They affected Japanese national security but did not pose a

¹⁷⁷ . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.56-57.

¹⁷⁸ . "Japan Made Emergent Combat Readiness for the 1996 Taiwan Strait Crisis (日曾因台海危机紧急战备)," *Central Daily News, International Edition* (中央日报, 国际版), July 28, 1997, p.1.

¹⁷⁹ . For an analysis of the US-Japan security treaty, see Glenn D. Hook, Julie Gilson, Christopher W. Hughes and Hugo Dobson, *Japan's International Relations: Politics, Economics and Security*.

direct military threat to Japan. On the other hand, Japan had not committed itself to assist the US to fulfil American commitments to Taiwan's security, despite Japan's military alliance with the US.

In April 1996, US President Bill Clinton visited Japan and held talks with Japanese Prime Minister Hashimoto on security issues in the Asia-Pacific region, in particular the Taiwan Strait, and mutual defence cooperation. The two nations decided to expand the geographical scope of their security treaty system to the Taiwan Strait.

This notwithstanding, both the Japanese government and the American administration have neither confirmed nor denied that Taiwan and the Taiwan Strait has been included in the defensive scope of the US-Japan alliance. In particular, Tokyo has maintained a degree of geographical ambiguity in addressing the question of the defence area. Japan never acknowledged whether the new guidelines had covered the area of Taiwan, but only explained in general terms the "areas surrounding Japan". This demonstrated that it did its best to avoid angering Beijing by not referring to the possibility of military conflict with the PRC. Japan was still reluctant to expand its role in supporting the US in a possible PRC-US armed conflict over Taiwan. What it hoped was that handling emergencies in the Taiwan Strait it would ensure its own security, in particular its economic security and key trade routes. Tokyo's motives for promoting increased military cooperation with Washington stemmed largely from Japanese fears about Beijing's attempts to forcibly settle the Taiwan issue and the manner in which that could involve Japan in the conflagration of war. In practice, the PRC war games in the Taiwan Strait prompted Japan to broaden its security alliance with the US.¹⁸⁰

One has to view the dual nature of the US-Japan security treaty as applied to Taiwan. From an American perspective, the US-Japan alliance was a cap on the bottle of latent Japanese militarism containing Japanese ambitions for Taiwan. For example, when he visited the PRC in 1972, President Richard Nixon assured the Chinese leaders that US military bases in Japan would serve to cope with the Soviet

London: New York: Routledge, 2001, pp.123-146; Inoguchi Takashi and Purnendra Jain (eds), *Japanese Foreign Policy Today: A Reader*. New York, N.Y.: Palgrave, 2000, 177-193.

¹⁸⁰ . June Teufel Dreyer, "Sino-Japanese Relations," *Journal of Contemporary China*, Vol.10, No.28, August 2001, p.377.

invasion and expansionism and the US-Japan close defence relationship could restrain Japan from following a course of militarism. In particular, Nixon assured the Chinese that the US would prevent the Japanese forces from stationing in Taiwan when the American forces withdrew.¹⁸¹ Therefore, the US always had the initiative in the Taiwan strategy of the US-Japan alliance and could not let Japan act autonomously on the issue. Although Tokyo worried about Beijing's military adventurism toward Taiwan, it was unable to play a leading role in tackling this problem, and followed Washington's line and US leadership.¹⁸²

2.2-5. Evaluation of the Japanese Factor in the Taiwan Issue

The largest Japanese concern regarding the Taiwan question was that of how to ensure its own security. In particular, it had a stake in peace and stability in the Taiwan Strait which directly related to its economic security. Ensuring security of the sealanes was the most immediate and strongest interest of Japan. However, this does not necessarily equate to the idea of Taiwan becoming a protectorate of Japan. In Japan's national security strategy, Taiwan was important but not crucial. Japan would not support Taiwan independence. It strove to avert a war with the PRC over Taiwan. Japan's policy on the Taiwan issue was largely economic in motivation. While seeking to benefit from its good economic ties with Taiwan, Japan had greater interest in developing economic relations with the PRC.

Japan's basic policy on the Taiwan issue was the same as the US, i.e. preservation of the *status quo*. Maintaining the *status quo* of Taiwan served Japan's long-term and vital strategic interests. So long as the PRC military did not launch an attack or impose a naval blockade on Taiwan, Tokyo would not respond strongly. Tokyo avoided stirring up Beijing's wrath over Taiwan while seeking to develop substantial and close relations with Taiwan. However, on the issue of Lee Teng-hui's attempt to visit Japan, it was caught in a bind between angering Beijing and improving ties with Taipei. In handling this issue, Tokyo made an effort to prevent any deterioration in

¹⁸¹ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.43-44.

¹⁸² . Marie Söderberg (ed.), *Chinese-Japanese Relations in the 21st Century: Complementarity and Conflict*. London; New York: Routledge, 2002, pp.40-41, 98.

the relations with the PRC and avoid worsening the situation in the Taiwan Strait. Because of the complexity and sensitivity of the Taiwan issue, Tokyo had to be very cautious about its relations with Taiwan. However, Tokyo would not meet all of Beijing's demands on the Taiwan issue. It adhered to a 'one-China' policy, but it differed from Beijing's version of the 'One-China' principle.

Although Beijing suspected Tokyo of retaining ambitions for Taiwan, there was little chance of Japan restoring its past colonial rule over Taiwan and Tokyo had done its best to remove Beijing's suspicion. More importantly, Washington's prevention blocked any possibility of Japan's reconquest of Taiwan.

Japan could play a major role, but could not independently determine the status of Taiwan. Japan had set its relations with the US as the keystone of its foreign policy and conducted its diplomacy within the framework of the Japan-US alliance after World War II.

There are different views on the effects of Lee Teng-hui's pro-Japanese stance, and his intention to influence Japan's policy toward Taiwan, on relations between Japan and Taiwan. In addition to his pro-Japanese sentiment, he made efforts to lobby the Japanese leaders to upgrade Japan-Taiwan relations and to draw Tokyo into favouring Taipei in cross-strait disputes. Yet, Greg Austin considers that there is little to suggest that Tokyo had leaned to Taiwan in handling the triangular relationships between Beijing, Tokyo and Taipei on the basis of Lee's pro-Japanese stance.¹⁸³ However, another source reveals that Lee's lobbying on the Japanese leaders appeared to have had some effect. Lee had used secret funds to lobby the Japanese leaders since 1994, trying to facilitate his relations with them in an apparent attempt to seek Japan's backing for Taiwan and political support for himself. When the Taiwan crisis reached a critical moment in March 1996, Lee sought help from Prime Minister Ryutaro Hashimoto through a Taiwanese businessman who had good connections in Tokyo, requesting Japan send a secret envoy to the US and urge Washington to send a naval force to protect Taiwan. Finally, it was because of Tokyo's insistence that Washington decided to send two carrier battle groups into the

¹⁸³ . Greg Austin, "Taiwan and PRC Military Power in Japan's Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.89-90, 108-111.

region.¹⁸⁴ This source remains to be verified. If it is confirmed, did Lee's lobbying activities produce the result? In this case, it raises two issues. One is that it throws light on Lee's motives for his re-election in seeking political support from Japan. Without powerful US military support in stopping Beijing's intimidation of voters in Taiwan, Lee would lose the presidential election.¹⁸⁵ Because he had offended the Clinton administration in forcibly breaking through its original disapproval of his US visit, he had to ask Hashimoto for help in requesting the US to intervene militarily. The other is that Tokyo had no intention of playing a crucial role in deterring Beijing's military adventurism toward Taiwan. It was Lee's lobbying that prompted Tokyo to ask Washington for intervention. Further, it demonstrated that Washington had no intention of deliberately provoking or escalating the Taiwan crisis.

2.3. The American Factor in the Taiwan Issue

Of all the foreign influences involved in the Taiwan issue, the American factor is the most important. As such, it is the primary external factor of influence in PRC Taiwan policy-making.

2.3-1. PRC-US Relations and Disputes over Taiwan

During late 1949 and early 1950, following the communist takeover on the mainland and the retreat of the Nationalists to Taiwan, the Chinese Communist regime and the Truman administration suspected and opposed each other, but the PRC and the US avoided direct military confrontation.¹⁸⁶ When the PRC sought to

¹⁸⁴ . According to reports by *Next Magazine* (壹周刊) in March 2002, Lee was alleged to have authorised the National Security Bureau to set up an illegal slush fund worth NT\$3.5 billion (US\$100 million) since 1994. Under this secret fund, a task force was established, aimed at forging substantial ties with Japan and the US through military intelligence channels. Using the fund to secure American and Japanese backing for Taiwan, the task force played a role in bringing about a peaceful resolution by seeking help from Japan and the US. See Li Qihong, "Mainland Affairs Council Chair-person Tsai Ing-wen Denies That She Had Received the National Security Bureau's Fund to Engage in Research on 'Two States' Theory," (李气虹, "台陆委会主委蔡英文否认领取国安局经费研究两国论,") *United Morning Daily* (联合早报), March 22, 2002.

¹⁸⁵ . See Chapter 3.4-2. The Presidential Election and Candidates' Positions on Unification/Independence.

¹⁸⁶ . Chen Jian, *China's Road to the Korean War—The Making of Sino-American Confrontation*. New York: Columbia University Press, 1994, pp.1-121.

liberate Taiwan, the US did not intend to intervene militarily on behalf of the Nationalists. On 5 January 1950, President Harry Truman issued a statement on America's stance toward Taiwan's status. He reiterated that the US would abide by the relevant provisions in the 1943 Cairo Declaration and the 1945 Potsdam Proclamation that declared Taiwan's return to China. In emphasising that the US had no territorial ambition for Taiwan, he said that the US would not seek "privileges, or to establish military bases on Formosa at this time". In particular, he expressed the American position that it would stay aloof from military conflict across the Taiwan Strait and that the US would not support the Nationalist forces.¹⁸⁷ In addition, on 12 January 1950, in addressing the issues of US security in the Western Pacific, Secretary of State Dean Acheson drew a US defence line north from the Aleutian Islands through Japan, the Ryukyu Islands and south to the Philippines, without including Taiwan.¹⁸⁸

However, when the Korean War broke out in June 1950, the US changed its position on Taiwan and was dragged into propping up the Nationalist government in Taiwan. On June 27, 1950, President Truman declared that he had "ordered the Seventh Fleet" to sail into the Taiwan Strait and station there "to prevent any attack on" Taiwan by the Chinese "Communist forces". Under such circumstances, Taiwan's status "must await the restoration of security in the Pacific". The day after Truman's declaration, PRC Foreign Minister Zhou Enlai published a statement strongly condemning "the American imperialists for aggression against China". He stated the PRC government's stance, that "Taiwan is part of China will remain unchanged forever" and that the determination of the Chinese people would "liberate Taiwan".¹⁸⁹

Throughout the 1950s and 1960s, the PRC and the US confronted each other regularly despite on-and-off ambassadorial-level talks. The dispute over the Taiwan issue was a focus in the sharp conflict between the two countries, which developed

¹⁸⁷ . The National Archives of the United States, *Public Papers of the Presidents of the United States, Harry S. Truman, 1950*. Washington: United States Government Printing Office, 1965, p.11.

¹⁸⁸ . Office of Media Services, Bureau of Public Affairs, *Department of State Bulletin: The Official Monthly Record of United States Foreign Policy*, January 23, 1950, Vol.XXII, pp.111-118; Dean Acheson, *Present at the Creation, My Years in the State Department*. London: Hamilton, 1970, p.357.

¹⁸⁹ . *Sino-American Relations, 1949-1971*, Documented and introduced by Roderick MacFarquhar. Newton Abbot: David and Charles for the Royal Institute of International Affairs, 1972, pp.83-84.

into three Taiwan Strait crises.¹⁹⁰ The US strategically contained the PRC while imposing an economic blockade and seeking political change. The PRC pursued a strong anti-America policy in dimensions of ideology, politics, diplomacy and the military.

However, as the international situation had significantly changed since the early 1970s, both Washington and Beijing faced serious problems in domestic matters and foreign affairs. The US was increasingly bogged down in the nearly decade-long Vietnam War. This prompted a large-scale anti-war movement bringing heavy pressure upon the American government. The grave economic crisis of the early 1970s downgraded America's leading position in the international economic and financial system.¹⁹¹ Although the US still was the most powerful country in the world, its international dominance was obviously declining. More seriously, US hegemony had been challenged by the Soviet Union, which vied with the US strategically, geographically, ideologically and economically on a global level. The powerful Soviet forces had become the greatest military threat to America. Despite remaining a superpower, the US national strength was not enough to deal with the rising Soviet threat. Washington needed to play the old game of balance of power that had influenced the modern European international relations in order to make the international strategic pattern favourable to the US. In President Richard Nixon's view, the framework of global relationships would be transformed because a new structure of five great power centres was emerging in the world, initially mainly in the economic dimension. This shift in power was resulting in a relocation of international relations and was a challenge to the US. In particular, the PRC would play an important role in the future international system. Thus, the US should accommodate the PRC and bring it into the international polity on its terms.¹⁹² This implied that the US would collaborate with the PRC to deal with increasing Soviet aggression.

¹⁹⁰ . For the previous Taiwan Strait crises in 1954-1955, 1958 and 1962, see Chapter 7.1-1. An Overview of the Previous Taiwan Crises and the Evolution of the PRC Taiwan policy.

¹⁹¹ . Richard M. Nixon, *The Memoirs of Richard Nixon*. London: Sidgwick & Jackson, 1978, pp.515-522.

¹⁹² . On 6 July 1971, President Nixon outlined a concept of "a world of 'five great economic superpowers' (the United States, Western Europe, Japan, the Soviet Union and the PRC)" and considered that their relationships "would determine the structure of peace in our time." See Richard

In the meantime, the PRC was beset with difficulties at home and abroad. It was caught in political upheaval and economic collapse because of the Great Cultural Revolution. Worse still, the Soviet Union posed a serious threat to the PRC and Chinese and Russian forces came into conflict on the PRC-Soviet borders. However, the military was deeply and widely involved in the political struggles, thereby weakening the country's national defence forces. Beijing believed it difficult to defeat a possible Soviet invasion or nuclear attack and had to conduct diplomatic manoeuvring to help safeguard itself. It tried to negate self-isolation and sought a position in a new strategic world pattern to ensure its security. Therefore, Washington was viewed as a potential collaborator in Beijing. In Beijing's eyes, through normalising PRC-US relations, Washington could become an acceptable partner and form a possible strategic cooperative relationship to lessen the Russian menace.¹⁹³

Therefore, common concern about the Soviet threat led Beijing and Washington to no longer regard one another as implacable enemies. Washington sought to reconcile PRC-US relations and take advantage of PRC-Soviet antagonism to isolate the Soviet Union. By creating strategic parallelism with the PRC, the US would be able to deter the Soviet global expansion and eventually undermine the Soviet empire.¹⁹⁴ Beijing's concerns about an attack by the Soviet Union compelled it to seek rapprochement with the US in the best interests of its security. A collaborative PRC-US relationship would force Moscow to think twice in planning an invasion of the PRC.

Washington's secondary consideration in improving relations with the PRC was that it believed that Beijing had an influence on Hanoi and thus it sought Beijing's help in ending the Vietnam War. President Nixon even was "willing to make a concession on Taiwan" in exchange for the PRC leaders' assistance to reach a peace treaty in order to honourably withdraw US troops from Vietnam. Beijing intended to

M. Nixon, *The Memoirs of Richard Nixon*. London: Sidgwick & Jackson, 1978, pp.552-553; Henry Kissinger, *White House Years*. Boston: Little, Brown and Company, 1979, pp.748-749.

¹⁹³ . Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, pp.65-66; Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989*. Stanford, California: Stanford University Press, 1995, pp.17-36.

¹⁹⁴ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.35-36, 62-65.

“win important concessions from” Washington “concerning Taiwan”. Also, it expected to remove America’s military forces from its doors and lessen the US military presence in East Asia through facilitating an end to the Vietnam War. It wished to promote a negotiated settlement between America and Vietnam.¹⁹⁵

It was under such circumstances that PRC-US reconciliation came about. National Security Adviser Henry Kissinger made a secret visit to Beijing in July 1971, laying the groundwork for a US presidential visit to what was a long-standing enemy state. President Nixon paid a visit to the PRC in February 1972. During the visit, he met with Chairman Mao Zedong and held talks with Premier Zhou Enlai on bilateral relations and international affairs. In his talks with Zhou, Nixon basically accepted Beijing’s position on Taiwan, setting out a ‘one China’ policy.¹⁹⁶ Nixon required the PRC to make “a commitment” to “peaceful resolution of the Taiwan issue”. Zhou “said that the Chinese leadership was committed to ‘strive for peaceful liberation’ ”, but refused to renounce the use of force.¹⁹⁷

Nixon’s week-long visit brought an end to the two decades of PRC-US antagonism. As a result of the landmark visit, a PRC-US joint communiqué, known as the Shanghai Communiqué, was issued in Shanghai on February 28.¹⁹⁸ The communiqué included an anti-hegemony statement implicitly directed against Soviet aggression and expansion. This was the most important agreement that the two sides reached and marked the beginning of the PRC-US strategic parallelism. However, both sides maintained their own stands on other major international issues. The two sides agreed to facilitate trade and economic relations while promoting “people-to-people contacts and exchanges”. They declared that their diplomatic communications and consultations, as well as contacts through other channels, would continue. In particular, the expression of a desire to further the normalisation of relations between the US and the PRC indicated that the two countries would establish official ties and move towards closer relations.

¹⁹⁵ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.13-15, 44-48.

¹⁹⁶ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.44-46.

¹⁹⁷ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.135-136.

¹⁹⁸ . “Joint Communiqué,” *Peking Review*, March 3, 1972, pp.4-5.

On the Taiwan issue, the PRC reiterated its basic long-term position while pointing out emphatically that it was “the crucial question obstructing the normalization” of the PRC-US relationship. The US acknowledged that there is only one China and that Taiwan is part of China. This has formed the basis for the US ‘one-China’ policy ever since. In response to the PRC’s statement that “all US forces and military installations must be withdrawn from Taiwan”, the US affirmed eventual completion of total military withdrawal from Taiwan so long as “tension in the area diminishes”. Regarding the PRC’s claim that the Taiwan issue was an internal Chinese affair in which foreign interference was unlawful, the US reaffirmed its interest in a peaceful resolution of the Taiwan issue by the Chinese people. In particular, the US mentioned neither its previous position that the status of Taiwan was undetermined nor its security commitment to Taiwan that was stipulated in the 1954 US-ROC mutual defence treaty. This demonstrated that Washington made some concessions on Taiwan to the PRC. Furthermore, it was viewed as representing “*de facto* recognition” of the PRC, and was seen as detrimental to the ROC and affecting the Taiwan independence movement.¹⁹⁹

After Nixon’s PRC visit, Kissinger frequently suggested that Premier Zhou and other PRC leaders visit the US, but Beijing declined his invitations. Beijing insisted that only after America’s severance of diplomatic relations with the ROC and its recognition of the PRC government as the sole legal government representing China could PRC leaders visit the US. Kissinger also suggested that the two countries should “establish liaison offices in each other’s capitals”. Initially Beijing refused to accept his suggestion. Apparently, it was concerned its acceptance could mean endorsement of a variation of “two Chinas” or “one China, one Taiwan”. However, Beijing immediately agreed when Kissinger repeated the suggestion in June 1972. In order to promote the normalisation of relations with the US and the strategic cooperation necessary to deal with the Soviet military threat, Beijing compromised on the establishment of the liaison offices, despite the US maintenance of formal diplomatic relations with the ROC. In May 1973, the PRC and the US set up the liaison offices in their respective capitals. Both offices were *de facto* embassies and

¹⁹⁹ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.135-145.

both directors were *de facto* ambassadors and professional diplomats. Beijing had persevered in insisting upon recognition of the PRC Government as the sole legitimate government of China and obliging other countries to sever diplomatic relations with the ROC in negotiating the establishment of diplomatic relations with a foreign country. Only with this precondition could missions be established in Beijing and other countries' capitals. In view of this, Beijing's acquiescence to the coexistence of the PRC *de facto* embassy and the ROC formal embassy in Washington demonstrated that Beijing made a major concession on Taiwan to Washington.²⁰⁰ This fact illustrated that Beijing could be very flexible in handling the Taiwan issue, despite its commitment to uphold the 'One China' principle and oppose to the creation of "two Chinas" or "one China, one Taiwan".

Nixon promised US diplomatic recognition of the PRC in his second term and the PRC leaders made an effort to move toward the normalisation of relations with the US. Yet, their respective domestic problems, mainly Nixon's resignation because of the Watergate scandal and the struggle for succession to Mao Zedong, resulting in little progress being made on the normalisation of relations between the two countries. In December 1975, President Gerald Ford visited the PRC but did not reach any substantial agreement with the PRC leaders on the major issues of bilateral relations. With electoral politics on his mind, he postponed the normalisation of relations with the PRC.²⁰¹

The PRC and the US signed an agreement to establish diplomatic relations on 15 December, 1978, and formally established them on 1 January, 1979. In the agreement, another anti-hegemony statement was included in addition to the Shanghai communiqué, which again implicitly targeted the Soviet Union and demonstrated the main impetus to the normalisation of PRC-US relationship. The US announced that it recognised the PRC government "as the sole legal government of China" while acknowledging "the Chinese position that there is but one China and Taiwan is a part of China". It would "maintain cultural, commercial and other

²⁰⁰ . Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989*. Stanford, California: Stanford University Press, 1995, pp.50-53.

²⁰¹ . Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989*. Stanford, California: Stanford University Press, 1995, pp.49-88.

unofficial relations with the people of Taiwan”.²⁰² In the meantime, the Carter administration published a statement declaring that the US would switch diplomatic recognition to the PRC from the ROC and terminate the US-ROC mutual defence treaty. Also, the US would withdraw “its remaining military personnel from Taiwan within four months”.²⁰³

During the negotiation on the normalisation, the two sides compromised on the two major issues. Washington tried to establish linkage between US diplomatic recognition of the PRC and Beijing’s commitment to peaceful resolution of the Taiwan issue. However, Beijing rejected this, and both sides later made concessions. Washington would express its expectation of a peaceful resolution of the Taiwan issue, and Beijing would not challenge that position.

The issue of American arms sales to Taiwan was the other point of controversy. Washington maintained that it would continue to sell defensive arms to Taiwan after the normalisation of the PRC-US relationship but Beijing was resolutely opposed to this. Later, however, the PRC compromised with the US. The two sides agreed to set the arms-sales issue aside and signed the communiqué on the normalisation of their relations despite Beijing reserving “the right to raise this issue in the future”. For Beijing, the most important factor leading to compromise was that it intended to enhance PRC-US strategic cooperation to cope with the Soviet military menace.²⁰⁴ This again demonstrated that for the PRC there was much room for compromise in handling the Taiwan issue, despite declaring that it would take an uncompromising stand on matters of principle.

During the late 1970s and 1980s, the PRC and the US strategically cooperated in their approaches towards the Soviet Union. The leaders of the two countries exchanged visits, including Vice-Premier Deng Xiaoping’s US visit in 1979, President Ronald Reagan’s PRC visit in 1984, and President George Bush’s PRC visit in early 1989. Economic ties had greatly developed over this period, with trade

²⁰² . “Establishment of Diplomatic Relations between P. R. C. and U. S. A.,” *Peking Review*, December 22, 1978, p.8.

²⁰³ . “U.S. Government Statement,” *Peking Review*, December 22, 1978, p.12.

²⁰⁴ . Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989*. Stanford, California: Stanford University Press, 1995, pp.131-141.

and finance blossoming while America significantly invested in the PRC. The two countries also undertook limited military cooperation and exchanges.²⁰⁵

In order to break the anti-Soviet strategic alliance, Moscow tried to exploit the disputes over Taiwan to drive a wedge between the PRC and the US. In particular, when the PRC-US disputes over the American arms sales to Taiwan intensified in early 1982, Soviet leader Brezhnev reaffirmed the Soviet stance of recognising the PRC's claim of sovereignty over Taiwan and declared that Moscow was opposed to the "concept of two Chinas". Furthermore, he called for an improvement of PRC-Soviet relations.²⁰⁶ For Beijing's part, it had shifted the focal point of its view from ideology to the economy and had sought to reunify Taiwan since late 1978. In order to reach its primary goals of developing the economy and realising modernisation while completing national reunification, it needed to create a favourable international environment. Since the early 1980s, it had pursued an independent and peaceful foreign policy in which there were two basic principles. One was to keep a distance from the US. The other was to improve PRC-Soviet relations in light of the perception of a diminished Soviet military threat. Beijing believed that strategic circumstances favoured it and it could use triangular diplomacy to balance the US on the Taiwan issue much as Washington had played the PRC against the Soviet Union. Thus Beijing demanded that Washington stop selling arms to Taiwan. Confronted with the Soviet Union's aggressive global offensives and its intention of drawing the PRC to its side, Washington worried about the rapprochement between the Soviet Union and the PRC and had to compromise with the PRC on the issue of US arms sales to Taiwan.²⁰⁷

²⁰⁵ . When the US and the PRC joined forces in opposition to the Soviet Union in early 1970s, the two countries began cooperating in military intelligence. See William Burr (ed.), *Kissinger Transcripts: The Top Secret Talks with Beijing and Moscow—A National Security Archive Documents Reader*. New Press, 1999, pp.170-173, 203-206 ; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.63-65. For PRC-US military cooperation and its limitations in the 1980s, see Martin L. Laster, *The Taiwan Issue in Sino-US Strategic Relations*. Boulder and London: Westview Press, 1984, pp.80-86; Martin L. Laster, *Policy in Evolution: The U.S. Role in China's Reunification*. Boulder & London: Westview Press, 1989, pp.155-157.

²⁰⁶ . "A Comment on Brezhnev's Tashkent Speech," *Beijing Review*, April 5, 1982, p.11.

²⁰⁷ . For Chinese-American-Russian diplomatic jockeying during the PRC-US disputes over the American arms sales to Taiwan in 1982, see Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.322-329.

However, in the negotiations on the arms-sales issue Washington demanded that Beijing promise to use peaceful means, rather than military force, to resolve the Taiwan issue. But Beijing again refused to renounce the use of armed force in pursuing the reunification of the island and mainland. It claimed that Taiwan represented an internal Chinese affair and argued that it was under no obligation to undertake any commitment to the US. After bargaining, the two sides compromised and reached an agreement, known as the August 17 1982 Communiqué, calling for a gradual phasing out of arms sales to Taiwan.²⁰⁸ The PRC “reiterated that the question of Taiwan is China’s internal affair”. The US reiterated that it would not pursue “a policy of ‘two Chinas’ or ‘one China, one Taiwan’ ”. The PRC reaffirmed its “policy to strive for a peaceful solution to the Taiwan question”, and the US understood and appreciated this policy. Under these principles, the US promised to progressively reduce its arms sales to Taiwan while limiting them “either in qualitative or in quantitative terms”. In return for this, the PRC did not insist on its original demand that the US must set a time limit to stop the sale of all weapons and military equipment to Taiwan.²⁰⁹

After signing the August 17 Communiqué, the two countries maintained good relations and new problems over Taiwan did not occur.²¹⁰ However, the Tiananmen Square massacre of 1989 ended what many American specialists and journalists viewed as a golden era in relations between the two strategic partners. The US undertook sanctions against the PRC, while also suspending military contacts. Beijing accused Washington of stirring up 1989 pro-democracy demonstrations in an attempt to disrupt social stability and change the political system in the PRC. This notwithstanding, through sending a secret envoy, National Security Adviser Brent Scowcroft, to Beijing, President Bush tried to improve relations with the PRC and maintain strategic cooperation. However, because the sanctions still stood and

²⁰⁸ . “China, US Issue Joint Communiqué,” *Beijing Review*, August 23, 1982, pp.14-15.

²⁰⁹ . For the disputes over the arms-sales issue and the negotiation process between the PRC and the US, see Robert S. Ross, *Negotiating Cooperation: The United States and China, 1969-1989*. Stanford, California: Stanford University Press, 1995, pp.163-200.

²¹⁰ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.134-154.

domestic political elements in the two countries were affected, Bush's effort had little effect at that time.²¹¹

In the early 1990s, the collapse of the Soviet Union and the end of the Cold War dissolved the PRC-US strategic partnership. The PRC-US relationship was originally fragile because of the economic, cultural and political differences between the two sides. Strategic cooperation was initiated in the 1970s and developed in the 1980s on the basis of a mutual fear of the Soviet military menace. When their common enemy disappeared, old feuds and suspicions between the PRC and the US inevitably arose. PRC-US relations entered into an uncertain period as increased bilateral problems and enlarged divergences over the major international issues became apparent. The PRC stepped up defence modernisation and enhanced its military force while increasing its economic power. This made it a potential strategic competitor for America's world hegemony in the future. However, the US did not view the PRC as the only hostile global power that might replace the former Soviet Union. In a review of America's national security strategy in the post-Cold War period by the Bush administration, the PRC was not targeted at as an enemy.

Chu Shulong, a leading PRC specialist in PRC-US relations alleges that the US "found the challenger" toward its supremacy "to be none other but the PRC" shortly after "the Bush administration issued a 'grand post-Cold War strategy' " "in spring 1992". However, Chu does not offer any evidence to support his allegation. On the contrary, his reference indicates that "in the first year of the post-Cold War, the challenge powers might have been Japan or Germany". In addition, he asserts that "a year later" "the US government issued the 'East Asia and Pacific Strategy Report' " "in early 1995", "US actions clearly indicate that the targets of this post-Cold War regional security strategy were North Korea and the PRC."²¹²

Meanwhile, some of PRC elite dismissed this kind of view as groundless.²¹³ The fact was that the review represented a shift in emphasis away from Russia to major

²¹¹ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.359-369.

²¹² . See Chu Shulong, "The Second PRC-US War: International Involvement in China's Unification," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.233-234.

²¹³ . Some PRC elite consider that although "the development and expansion of a socialist China always is a potential threat in the eyes of the American ruling clique", such an opinion alleged that

regional security problems, indicating that Washington's strategic concern concentrated on the Persian Gulf and the Korean Peninsula. The US was prepared to simultaneously fight two possible large regional wars against Iraq and North Korea. The Clinton administration continued this "two major wars" approach.²¹⁴

In late 1992, the problem of US arms sales to Taiwan re-emerged. In the presidential campaigns, China issues became one of the main campaign themes. Bush's China policy was intensively attacked by Bill Clinton, the Democratic presidential candidate. In particular, Clinton accused Bush of ingratiating himself with Beijing's dictators. More unfavourably, Bush was criticised within his own Republican Party for his China policy. He had to campaign hard to defend his policy toward the PRC and Taiwan. However, the Texas manufacturer of F-16 fighter jets declared that 5800 workers would be laid off by reason of Bush's refusal to allow the sale of F-16s to Taiwan. The Texas vote was critical for Bush's re-election and he reversed his decision and declared that he would approve the sale of F-16s to Taiwan. This violated America's commitment to the PRC on the issue of arms sales to Taiwan that it had undertaken in the August 17 1982 Communiqué, although the Bush administration argued that its decision on the F-16 fighters deal with Taiwan was necessary in maintaining peace and stability across the Taiwan Strait. However, Beijing reacted mildly to Bush's announcement, adopting few essential measures despite lodging a protest. This response was in sharp contrast with Beijing's strong diplomatic retaliation against France's sale of 60 Mirage jet fighters to Taiwan. It seemed that Beijing understood Bush's political difficulties after communicating with him over the F-16s sale issue and seeking to clarify his position. Beijing counted upon Bush providing a "significant political payback" if he retained the presidency. However, this proved to be a miscalculation.²¹⁵

Washington intended to command its military force to march east in targeting the PRC, is groundless. See The Group of Subject of Study under the China Institute for International Economic Relations (中国国际经济关系学会课题组), *China's Foreign Economic Relations toward the 21st Century—An Analysis of Situation and the Policy Proposals* (走向二十一世纪的中国对外经济关系—形势分析与政策建议). August 1995, pp.14-15.

²¹⁴ . Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, pp.193-194.

²¹⁵ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.374-379. Also see James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.254-273.

In his campaign for President, Clinton had vowed that he would uncompromisingly struggle with the “butchers of Beijing”. However, soon after coming into office in early 1993, he adopted a realistic attitude in handling the issues of PRC-US relations. He sought to avoid a political confrontation between the US and the PRC. During the campaign he had declared that he would create a linkage between human rights and trade regarding continuation of Most Favoured Nation (MFN) trading status to the PRC. However, after the election he made it known he intended to preserve the multibillion dollar trade between the two countries with an extension of the PRC’s MFN status. Every year of his presidency he asked Congress to maintain the PRC’s normal trade relations’ status with the US.²¹⁶

Most importantly, the Clinton administration pursued an engagement policy toward the PRC from late 1993.²¹⁷ This policy advocated “comprehensive” engagement with the PRC. Although the PRC was perceived as a potential future adversary of the US, the fundamental point of the Clinton administration’s China policy was engagement rather than containment. It was formulated to view the PRC as becoming democratic and more free-market oriented through promoting peaceful evolution and the PRC-US relationship as mainly cooperative and able to manage possible friction between the two countries. The purpose of Clinton’s engagement policy was to promote the PRC to integrate into the international political system while encouraging it to also merge into the world economy. Through this engagement policy Washington intended to encourage Beijing to be more responsible as a major power and less inclined to resort to force to settle external disputes. In particular, Washington encouraged Beijing to play an active and constructive role in maintaining peace and stability in the Asia-Pacific region.²¹⁸

²¹⁶ . For Clinton’s statements on these major China policy issues in his 1992 campaign, see Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.387-389. Also see James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.260-264. For the Clinton administration’s changed attitude toward the Chinese Communist regime and its shift away from its original stand on the PRC’s MFN, see James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.274-288.

²¹⁷ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.288-291.

²¹⁸ . For an analysis of the Clinton administration’s engagement policy toward the PRC, see Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, pp.103-111; Alastair Iain Johnston and Robert S. Ross (eds),

To sum up, Washington intended to establish a US-lead new world order in the post-Cold War era with the western-style democracies and free economies. As the surviving communist power, the PRC wanted to preserve its authoritarian state while seeking to increase its national strength and influence. Although the two countries had contrary ends in mind, the US positively promoted comprehensive and constructive engagement with the PRC.

In the mid-1990s, there were a host of problems in PRC-US relations such as arms control issues, nuclear proliferation, and missile exports, controversies over human rights, the negotiation over the PRC entrance into the WTO, the issue of protecting intellectual property, disputes over the extension of the PRC's Most-Favoured-Nation status and trade imbalances. However, due to long-standing contentions and conflicting security interests, the status of Taiwan remained the two nations' most serious difference.

2.3-2. America's Relations with, and Interests in, Taiwan²¹⁹

The US relationship with the KMT government on Taiwan was long standing and the two were interrelated in innumerable ways. In the 1930s and 1940s, American administrations had maintained good and close relations with the Chinese National government. However, after the Communists drove the ruling Nationalists out of the Chinese mainland and onto Taiwan in the civil war in 1949, the United States did not seek to defend Taiwan. One reason was that Washington believed that the Nationalist government was corrupt and incompetent and decided that it would not continue its support. A further reason was that the American government intended to prevent the PRC from making an alliance with the Soviet Union.²²⁰ However, the

Engaging China: The Management of an Emerging Power. London; New York: Routledge, 1999, pp.176-206, 273-295.

²¹⁹ . For US-Taiwan relations, see Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Containment.* Westport, Connecticut: Praeger, 1994; Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan.* Boulder, Colorado: Westview Press, 1995, pp.128-153.

²²⁰ . Chen Jian, *China's Road to the Korean War: The Making of the Sino-American Confrontation.* New York: Columbia University Press, pp.33-63, 115-119, 125-127; Tang Tsou, *America's Failure in China: 1941-1950.* Chicago: University of Chicago Press, 1963, pp.513-520; Thomas H. Etzold, *Aspects of Sino-American Relations since 1784.* New York and London: New Viewpoints, 1978, pp.142-143; Marshall Green, John H. Holdridge and William N. Stokes, *War and Peace with China:*

outbreak of the Korean War prompted Washington to reverse its decision and announce that it would back the KMT government on Taiwan. This notwithstanding, when Truman declared on June 27, 1950 that the US would place Taiwan under its protection, he said that he had called the Nationalist government on Taiwan to “cease all air and sea operations against the mainland”.²²¹ The US held to this position, and never supported the KMT government in its intentions to retake the mainland by military force.

However, during the early period of the Cold War, America provided considerable economic and military aid to the Nationalist forces on Taiwan. Taiwan was brought into the US network of military security treaties as part of the US-led anti-Communist camp.²²² Taiwan contributed to the American strategy of containing the PRC and the Soviet Union. But in the 1970s and 1980s, Washington forged a strategic relationship with Beijing so as to deal with Moscow. For this purpose, the US established diplomatic relations with the PRC in January 1979 and broke off official ties with Taiwan.

After the normalisation of PRC-US relations, Beijing declared that it would make every effort to achieve reunification by peaceful means, but refused to renounce the use of military force in resolving the Taiwan issue. Washington was concerned about Taiwan’s security when the US-ROC mutual defence treaty was due to be terminated in 1980. As such, it sought to readjust US laws, in order to continue the American security commitment. The “1979 Taiwan Relations Act” during the Carter administration set up the framework for strong unofficial ties and US military support for Taiwan.

In the 1980s, the US maintained close and substantial relations with Taiwan although strictly these were non-inter-governmental. Taiwan remained an ally of the US and assisted the American world strategy. The collapse of the Soviet Union and the end of the Cold War undercut the strategic basis for the PRC-US alliance, and PRC-US relations became uncertain as the hidden contradictions between the two

First-Hand Experiences in the Foreign Service of the United States. Bethesda, Maryland: Dacor Press, 1994, pp.9-26.

²²¹ . *Sino-American Relations, 1949-1971*, Documented and introduced by Roderick MacFarquhar. Newton Abbot: David and Charles for the Royal Institute of International Affairs, 1972, p.83.

²²² . For a more detailed analysis of US-Taiwan relations in the Cold War era and the early period of the post-Cold War era, see Chapter 3.1. Taiwan’s Strategic Importance and Strength.

countries were revealed. In a shift in the global balance of power, Washington again attached importance to Taiwan's strategic position and the island's role balancing the PRC. US Trade Representative Carla Hills visited Taiwan in 1992. This was the first time an American Cabinet-level official had paid a visit to Taiwan since 1979 when the US severed diplomatic relations with the ROC.²²³ The decision by the Bush administration to sell the 150 F-16 fighter jets already referred to was the other major move in developing relations with Taiwan.

The Clinton administration continued America's extensive, strong and friendly unofficial relations with Taiwan. Furthermore, during mid-1993 and mid-1994, the Clinton administration conducted a "Taiwan Policy Review". In light of the guidelines of the review, the US upgraded its ties with Taiwan. It allowed mutual high level official visits and contacts in the form of stopovers, meetings and unofficial visits. Thereby, US-Taiwan sub-Cabinet-level meetings took place in Washington DC in June 1995. Secretary of Transportation Federico Pena visited Taiwan in 1994. This was viewed as a breakthrough, with exchanges of Cabinet members between Washington and Taipei originally banned.²²⁴ Nevertheless, the Clinton administration pursued a 'one China' policy and reaffirmed that Taiwan is a part of China.²²⁵

Until the mid-1990s, the US had substantial and vital interests in Taiwan in political, economic and strategic fields.²²⁶ Politically, during the Cold War Taiwan, as a loyal and close ally, significantly supporting the US. In particular, in the 1950s and 1960s, Taiwan played an important role in helping the US to strategically deter, politically isolate, militarily encircle and economically blockade the PRC.

²²³ . Sofia Wu, "US Shows Good Will in Sub-Cabinet-Level Meeting with ROC," *CNA*, August 7, 1998; Sofia Wu, "ROC Welcomes Visits by US Cabinet Members," *CNA*, September 17, 1998; Reuters, "U.S., Japan Ties Vital to Isolated Taiwan," *Inside China*, November 9, 1998.

²²⁴ . Sofia Wu, "US Shows Good Will in Sub-Cabinet-Level Meeting with ROC," *CNA*, August 7, 1998; Sofia Wu, "ROC Welcomes Visits by US Cabinet Members," *CNA*, September 17, 1998; Reuters, "U.S., Japan Ties Vital to Isolated Taiwan," *Inside China*, November 9, 1998.

²²⁵ . Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, pp.150-151.

²²⁶ . For US interests in Taiwan, see Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, pp.217-234; Martin L. Lasater, *U.S. Interests in the New Taiwan*. Boulder, Colorado: Westview Press, 1993, pp.202-222; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.17-28.

Since beginning its democratisation process in the late 1980s, Taiwan had shared common values with the US. The democratisation of Taiwan had become a major factor in maintaining an amicable relationship between the US and Taiwan. Taiwan's democracy and freedom contrasted with Beijing's repressive communist system. There had been broad-based consensus of support for Taiwan in US public opinion. Many Americans advocated that Taiwan should be protected from being forcibly ruled by the PRC.

In particular, the US sought the peaceful evolution of the PRC, and the democratisation of Taiwan could play an important role in promoting such political change on mainland China.

Economically, the US had important interests in Taiwan. US-Taiwan economic relations had greatly developed. The amount of bilateral trade reached US\$ 48.3 billion "compared to U.S.-PRC trade of US\$ 57.3 billion" in 1995. Although the PRC ranked sixth in America's list of trading partners, Taiwan was America's eighth largest partner.²²⁷ In the mid-1990s, Taiwan was a major overseas buyer of US products. It was the third largest market for US medical products, the fifth largest overseas purchaser of US automobiles and also the fifth largest market for US agricultural exports.²²⁸ US exports to Taiwan outstripped those to the far larger PRC and Taiwan's purchase of American products was 1.6 times greater than that of vast mainland China between 1987-1997.²²⁹ The US and Taiwan had significantly invested in each other. In particular, American business interest in Taiwan had increased considerably with Taipei's economic policy and Taiwan's excellent economic performance providing many business opportunities for Americans. More importantly, Taiwan had purchased large quantities of munitions from the US over the past forty-five years.

Strategically, Taiwan was important to America.²³⁰ The *de facto* American military alliance with Taiwan helped the US to deal with security issues and maintain

²²⁷ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.22-23.

²²⁸ . Chen Chien-jen, "Roc Looks to Future with Vision," *The Free China Journal*, April 10, 1998.

²²⁹ . Lawrence Chu and Maubo Chang, "ROC Government Spokesman Discusses TRA with US Columnist," *CNA*, September 16, 1998.

²³⁰ . For US strategic interests in Taiwan, see Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Containment*. Westport, Connecticut: Praeger, 1994; Dennis

a military presence in the Asia-Pacific region. In Washington's view, the PRC had the potential to affect the US security posture in the region and Taiwan was an important partner in the US-led regional multilateral security system. In promoting the US security arrangements and seeking to prevent the PRC from expanding its military reach, Taiwan was capable of playing an important role.

The US viewed the island as an unsinkable "aircraft carrier" on the western Pacific Ocean. In 1950 the US established military bases in Taiwan and used them until 1978. During the Vietnam and Korean Wars, these American military facilities strongly and effectively supported the US troops in their operations. In the post-Cold War era, Taiwan was still a fortified point that could facilitate American military deployment and movement in East Asia.

In terms of the US immediate national security interests in the western Pacific region, it had a considerable stake in Taiwan. This related directly to control over sealane communications on which America's trade with the countries in Southeast and Northeast Asia, in particular its ally, Japan's economic lifelines depended. As an ally of the US, Taiwan could ensure the international right of the US and other countries' passage through the Taiwan Strait and surrounding waters. In a word, the security situation in the Taiwan Strait was closely linked with the peace and stability of the Asia-Pacific region, over which the US was highly concerned.

2.3-3. America's Stance on the Taiwan Issue²³¹

Six documents constitute an organic part of the basic US policy on the Taiwan issue. These were the PRC-US joint communiqués, signed in 1972, 1978 and 1982 respectively, which placed the Taiwan issue within the context of broader US relations with all of the PRC. A further three were the US domestic legislation and administrative documents: the Taiwan Relations Act of 1979, the six assurances

Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997.

²³¹ . For specific US positions on the Taiwan issue, see Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, 113-131; Arthur Waldron, "Back to Basics: The U.S. Perspective on Taiwan-PRC Relations," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, pp.327-347; Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.141-145.

toward Taiwan of 1982 and the 1994 Taiwan policy review. They enlarged the framework of US-Taiwan relations and shaped the course of America's policy toward Taiwan.

The Taiwan Relations Act (TRA) was the foundation of US policy toward Taiwan.²³² The act laid down that the US was committed to provide arms for Taiwan's defence and prevent the PRC from invading the island, while maintaining extensive, close and amicable economic, cultural, and other relations with the people of Taiwan. The main purpose of this legislation was to legally guarantee Taiwan's security. In fact, the main provisions of the TRA replaced the 1954 US-ROC Mutual Defence Treaty that the US had undertaken as a security commitment to Taiwan. The TRA legitimated the American position as the largest, strongest and most important guardian of Taiwan's security despite lacking formal diplomatic relations.

After agreement was reached with the PRC on the issue of arms sales to Taiwan in the August 17 1982 Communiqué, the US issued six assurances to Taiwan. The assurances aimed at reaffirming America's consistent stance on the question of its security commitment to Taiwan. They demonstrated that Washington sought to maintain the military balance in the Taiwan Strait in order to ensure Taiwan's defence. In particular, they indicated that the US would continue to stay away from the mainland-island disputes and conflicts, and would not "exert pressure on the ROC to enter into negotiations with" the PRC.²³³

The 1994 Taiwan policy review was the Clinton administration's first comprehensive articulation of its policy toward Taiwan.²³⁴ It sought to further US unofficial relations with Taiwan by strengthening economic ties and cooperation in other fields. Some high-level government officials were permitted to exchange visits between Taiwan and the US. The change of the name of Taiwan's representative office in the US to the Taipei representative office was sanctioned. Office calls by

²³² . For the Taiwan Relations Act, see John F. Copper, *China Diplomacy: The Washington-Taipei-Beijing Triangle*. Boulder, Colorado: Westview Press, 1992, pp.159-167.

²³³ . For the six assurances toward Taiwan and the background for issuing them, see Ben Wu, "President Lee Reiterates ROC Sovereignty to US Envoy," *CAN*, July 6, 1998; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.127-128.

²³⁴ . For the main purport of the 1994 Taiwan policy review, see Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, pp.145-149; John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, p.163.

the representatives of Taiwan in the US to the US departments and agencies were allowed. Taiwan's top leaders, including the ROC president, were permitted to pass through the US in transit, but would not be issued permits to visit the US. America supported Taiwan's admission into non-state-based world bodies, mainly the international economic organisations such as the General Agreement on Tariffs and Trade (GATT). However, it would not support Taiwan in seeking membership of international organisations composed solely of sovereign countries. In particular, it would not support Taiwan's application to join the United Nations. In terms of the issue of Taiwan security, the review raised US concerns about the PRC threat to forcibly reunify Taiwan with mainland China. Arms sales to Taiwan for defensive purposes, without qualitative or quantitative restrictions, were approved. It appeared there were two important alterations in the review. One was the permission for the exchange of visits by cabinet-level officials, but President Bush had already sent US Trade Representative Carla Hills to visit Taiwan in 1992. The other was that America's arms sales to Taiwan were unrestricted in both qualitative and quantitative terms. However, in 1992 the decision by the Bush administration to sell 150 F-16 fighter jets, in fact, had exceeded the explicit limits on quality and quantity in the August 17 1982 Communiqué. Because the Clinton administration did not go beyond the Bush administration's policy toward Taiwan, the review represented few real, substantive changes in America's stance on Taiwan.²³⁵

The American stance on the Taiwan issue was a 'one China' policy, in which there were the three adherences and the three noes. The US adhered to the security commitment to Taiwan; the maintenance of the military balance in the Taiwan Strait; and the arms sales to Taiwan based on Taiwan's self-defence needs.

In fulfilling its commitment to ensure the island's security, Washington would not accept the use of force against Taiwan by the PRC. For the US, any coercion, including threat, blockade, attack or invasion, would be unacceptable. It insisted that

²³⁵ . American specialist in PRC-US relations, Robert G. Sutter believes that "the Clinton administration proposed only minor adjustment in U.S. relations with Taiwan" in the 1994 Taiwan policy review. See Robert G. Sutter, with the assistance of Seong-Eun Choi, *Shaping China's Future in World Affairs: The Role of the United States*. Boulder, Colorado: Westview Press, 1996, p.92. Also, American strategist on Taiwan security, Martin L. Lasater considers that "the adjustments in U.S. policy toward Taiwan under President Clinton were minor in substance" despite being "symbolically important". See Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, p.149.

differences across the Taiwan Strait should be resolved peacefully, emphasising that any cross-strait arrangements would have to be reached on a mutually acceptable basis. It had sent messages to both Taiwan and the PRC since the early 1990s stressing that a dialogue would be conducive to the peace and stability of both sides of the Straits and the rest of the region.

The primary goal of the US was to avert military conflict in the Taiwan Strait. The US could not afford to let the situation in the Straits degenerate to that point, as it would have grave consequences for America's stature in the Asia-Pacific region. It therefore viewed peace and stability in the Taiwan Strait as important to US national security interests.

In order to prevent cross-strait military conflict, the US had to maintain the military balance in the Taiwan Strait. The fundamental guarantee for the maintenance of the *status quo* of Taiwan was to continue providing arms. Taiwan was heavily dependent on the US for its supply of advanced weapons and military equipment and the continuance of US arms sales to Taiwan was seen the key to frustrating any attempt by Beijing to forcibly settle the Taiwan issue.

Washington had maintained a degree of strategic ambiguity in terms of the question of providing defence for Taiwan. In the event of an unprovoked attack from the PRC, the US had not committed itself to defending the island since it sought to normalise relations with the PRC in the early 1970s. Senior American officials had talked about the question of defending Taiwan under the policy of strategic ambiguity. Basically, they stated that the US would view any resolution of the Taiwan issue by force with the greatest possible concern. This was still within the wordage that the Taiwan Relations Act had used.²³⁶ Protecting Taiwanese secessionism, however, was outside the scope of US defence aid, and the US would not fight for Taiwan independence.

²³⁶ . Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998; Dennis Van Vranken Hickey, "The Taiwan Strait Crisis of 1996: Implications for U.S. Security Policy," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.278-282.

When Clinton visited the PRC in mid 1998, he published a statement of the “Three Noes” in Shanghai.²³⁷ They were that there would be no US support for an independent Taiwan; no US support for “two Chinas”, or “one China, one Taiwan”; no US support for Taiwan’s membership in institutions highly symbolic of sovereignty. Although Taipei and pro-Taiwan political forces in the US were angered by Clinton’s statement, senior US officials argued that it was no departure from established policy.²³⁸ Indeed, while it was the first time a sitting president had enunciated it, but Clinton only repeated long-standing policy. When he secretly visited Beijing and held talks with Zhou Enlai in July 1971, Henry Kissinger said that “we are not advocating a ‘two Chinas’ solution or a ‘one China, one Taiwan’ solution”.²³⁹ In his historic PRC visit and talks with Zhou in February 1972, President Nixon gave assurances that “Taiwan was part of China” and “the United States would not support the independence of Taiwan”.²⁴⁰ Although Nixon and Kissinger did not use the wordage of the three noes, they became the established policy despite never being published until the Clinton administration. The Ford administration adhered to the Nixon administration’s China policy. During the Carter, Reagan and Bush administrations, there were no serious disputes between the US and the PRC over Taiwan except for the brief tension over the issue of arms sales to Taiwan. After the dispute regarding Lee Teng-hui’s US visit in mid-1995, Clinton sent a letter to Jiang Zemin in August 1995. Although “the three noes” were “packaged together” for the first time in the letter, they had consistently been carried out over the past two decades.²⁴¹

Although the three noes suggested that the US did not support Taiwan’s secession from China, they did not mean that the US had stood by the PRC in disputes over the

²³⁷ . Clinton stated, “I had a chance to reiterate our Taiwan policy, which is that we don’t support independence for Taiwan, or two Chinas, or one Taiwan, one China. And we don’t believe that Taiwan should be a member in any organisation for which statehood is a requirement.” See Warren P. Strobel, “Clinton Clarifies U.S. Position on Taiwan,” *The Washington Times*, July 1, 1998.

²³⁸ . Former US Secretary of State Madeleine Albright explicitly spelled out Clinton’s statement of the “three noes” over Taiwan, a move that none of his predecessors has ever made. See Jay Chen and Sofia Wu “‘Three Noes’ an Evolving Element of US toward Taiwan: Albright,” *CNA*, July 9, 1998; Fong Tak-ho and Agencies, “There’s Only One China,” *Hong Kong Standard*, July 1, 1998.

²³⁹ . Elaine Sciolino, “Records Dispute Kissinger on His 1971 Visit to China,” *The New York Times*, February 28, 2002.

²⁴⁰ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.46-48.

status of Taiwan. While the US had promised to adhere to a 'one-China' policy, that policy differed from the PRC's stand on 'one-China'. The US recognised Taiwan as part of China, but did not recognise Taiwan as an integral part of the PRC by reason of the disputed international legal status of the island. In addressing the issue of the PRC's claim of sovereignty over Taiwan, the US used the wordage of acknowledgement rather than recognition.²⁴² According to Chiu Hungdah, a renowned specialist on the international legal status of Taiwan, this indicated that "the United States has never recognized the PRC's sovereign claim to Taiwan". In view of *status quo* of Taiwan, many American senior officials and scholars of international law considered that the PRC government has never extended control over Taiwan since its foundation in 1949 and the ROC government effectively rules the island.²⁴³

Beijing blamed the US government for fomenting the split between the two sides of the Taiwan Strait and for objecting to the reunification of China.²⁴⁴ However, this was not the American government's position and behaviour. The fact was that US administrations had no objection to China's reunification. When he was in office as the US president between 1988 and 1992, Bush once asked Taiwan's president Lee Teng-hui why the Taiwan issue could not be resolved by following the Hong Kong mode. Lee put forward many reasons, saying the problem could not be resolved that way on the ground that the "one country, two systems" formula was unacceptable to Taiwan. Some experts on the Taiwan issue believe that Bush's attempt showed that the US had once considered supporting Beijing in its efforts to resolve the Taiwan

²⁴¹ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.330.

²⁴² . See "Establishment of Diplomatic Relations between P. R. C. and U. S. A.," *Peking Review*, December 22, 1978, p.8.

²⁴³ . Chiu Hungdah, "The Principle of One China and the Legal Status of Taiwan," (丘宏达, "一中原则与台湾法律地位,") *Cheng Ming Monthly* (争鸣), No.280, February 2001, pp.69-72.

²⁴⁴ . Taiwan Affairs Office & Information Office, State Council, People's Republic of China, "The Taiwan Question and Reunification of China," (国务院台湾事务办公室/国务院新闻办公室, "台湾问题与中国的统一,") August 1993, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.248-251.

issue through “one country, two systems”.²⁴⁵ In a letter to Jiang Zemin in September 1993, Clinton mentioned an American “commitment to a ‘unified China’ ”.²⁴⁶

One has to acknowledge that the US had benefited from the continued separation of the two Chinese states. The US made a profit from its arms sales to Taiwan and the Taiwan issue also gave Washington a margin of leverage over Beijing. The US sought to maintain its leverage in the balance of power on both sides of the Taiwan Strait and bargain with the PRC. However, America had a stake in the Taiwan question that involved US national security interests. Strategically and politically, it was highly concerned about how the reunification issue of China would be resolved. So long as the PRC remained an authoritarian state which perceived as a potential hostile power, the US would not support the Chinese mainland in its efforts to reunify with the island. To be sure, the US would not necessarily benefit from realisation of Chinese reunification. However, it would move to facilitate the process of reunification if mainland China became a democratic state because, after all, a reunified, stable and peaceful China with a modern polity would be in the American interest.²⁴⁷ For example, the US supported the reunification of Germany under the democratic system and capitalist economy despite not wishing to see a potentially powerful adversary of the US created.

The US position remained one of neither getting involved in the substance of any dialogue between Taiwan and the mainland nor prescribing a solution to the cross-strait political disputes. It took no position on what should be the final status of Taiwan, because it was a matter for negotiations between the two sides of the Taiwan Strait. Washington would not consider mediating between Taiwan and the PRC and did not think it would be appropriate, or even possible, for any outside mediator to be involved in negotiations to resolve the differences between Beijing and Taipei. In

²⁴⁵ . George Bush senior revealed this when attending the 12th World Productivity Congress in Hong Kong in November 2001. For more detained information and experts’ remarks, see “The US Tried to Advise Taiwan to Accept ‘One Country, Two Systems’ to Resolve the Mainland-Island Dispute,” (“美国曾劝台湾以‘一国两制’解决中台问题,”) *United Morning Daily* (联合早报), November 10, 2001.

²⁴⁶ . Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, pp.150-151.

²⁴⁷ . According to Martin L. Lasater, the US is committed to protecting “market democracies from hostile authoritarian regimes”. “Century-old American goals” include helping “the Chinese people develop a democratic government and prosperous economy”. See Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan*. Boulder, Colorado: Westview Press, 1995, p.239.

short, the US maintained that the Taiwan issue should be peacefully resolved by the Chinese themselves.

2.3-4. The US Role in Events in the Taiwan Strait during 1995-96²⁴⁸

From the beginning, the Clinton administration objected to Lee Teng-hui's projected visit to the US. When, amid Lee's lobbying of Congress, Beijing expressed its concern over the issue of Lee's US visit, Washington gave an assurance that Lee would not be issued a permit to visit the US. In April 1995, Secretary of State Warren Christopher met Vice-Premier and Foreign Minister Qian Qishen and reassured him that Lee would not be granted a visa. Meanwhile, Christopher tried to convey to Qian his uncertainty about the substance of any final decision on the issue of Lee's US visit. He told Qian that he had met with serious problems in seeking to persuade congressmen to agree with him that a Lee visit should not be allowed. Although it appeared that Qian "did not pick up on the subtle implications of Christopher's message", the PRC ambassador to Washington, Li Daoyu made it clear that "he had seen that the growing congressional pressure might force the administration to reverse itself".²⁴⁹

As the lobbyists intensified their campaign to persuade Congress to allow Lee to travel to the US, signs showed that Congress would provide strong support for such a visit.²⁵⁰ On 2 May 1995, the House of Representatives voted 396 to 0, approving a resolution to allow Lee to visit the US in a private capacity. One week later, the Senate voted 97 to 1, adopting a bill almost the same as the House's resolution in favour of granting Lee a visa. The Clinton administration made "last-minute efforts"

²⁴⁸ . For evaluation of the US role in the 1995-96 Taiwan Strait crisis, see Chiu Hungdah, "Recent Cross-Strait Relations and the United States," *Issues & Studies*, Vol.32, No.12, December 1996, pp.1-13; Cheng-yi Lin, "The U.S. Factor in the 1958 and 1996 Taiwan Strait Crises," *Issues & Studies*, Vol.32, No.12, December 1996, pp.14-32; David S. Chou, "Cross-Strait Relations and U.S. Roles in the Taiwan Strait Crisis," *Issues & Studies*, Vol.32, No.10, October 1996, pp.1-25.

²⁴⁹ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.68-70; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.322-325.

²⁵⁰ . For the intensive lobbying of Congress by Lee and his supporters seeking permission for a US visit, see Chapter 3.3-2. The Issue of Lee Teng-hui's US Visit.

“to line up support for” the government’s policy toward Taiwan, but failed.²⁵¹ Under powerful political pressure, the Clinton administration was forced to reverse its original stance on the Lee visit.²⁵²

After the voting, it had been impossible for Clinton to deny the resolution. When the resolution was hotly debated in the House of Representatives, “several members indicated that they would support legislation should the administration ignore the resolution”.²⁵³ A showdown between the White House and Capitol Hill could develop over a legislative bill that Taiwan supporters would force Clinton to sign into law. Therefore, the US constitutional system compelled Clinton to issue Lee a visa. Significantly, Beijing had an understanding of the US political system and knew full well that the Clinton administration’s reversal of its earlier decision resulted from the successful conduct of public relations with the US Congress by Taipei. Jiang Zemin, admitting that “we certainly haven’t done enough lobbying of the U.S. Congress”, pointedly invited congressmen to visit the PRC.²⁵⁴

In order to reduce the impact upon PRC-US relations of its inconsistent decisions on the issue of Lee’s US visit, the Clinton administration made an effort “to minimise the damage”. It informed Taiwan officials that Lee’s trip “was to be a strictly private affair” and it did not permit him to conduct political activities. It banned senior officials from meeting Lee and did not allow him to “travel to Cornell by way of New York City”.²⁵⁵ This demonstrated that the decision to grant Lee a visa was not indicative of any major change or alteration in the Clinton administration’s position on Taiwan’s status and basic US policy toward the PRC.

²⁵¹ . John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, pp.68-69; James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.322.

²⁵² . For an analysis of the America’s political situation and the controversy over the issue of Lee’s visit during 1995 and 1996, see Robert G. Sutter, “The Taiwan Crisis of 1995-96 and US Domestic Politics,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.57-79.

²⁵³ . John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, p.68.

²⁵⁴ . “ ‘The Problem Is Political Will’—Jiang Zemin on Bill Clinton, Taiwan, His Leadership and Deng Xiaoping,” *U.S. News & World Report*, October 23, 1995, p.72.

²⁵⁵ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.325.

Initially, Beijing modestly responded to the issue of Lee's US visit, but suddenly shifted to a belligerent response. Shortly after the Clinton administration announced permission for Lee to visit the US, Beijing exercised restraint, confining itself to mainly diplomatic protestations and no sign of using coercive methods. On 22 May, Qian Qishen summoned US Ambassador Stapleton Roy and lodged a strong protest to the American government. On the same day, the PRC Ministry of Foreign Affairs published a statement strongly protesting the US government's decision.²⁵⁶ In the following days, Beijing cancelled a number of visits by PRC officials to the US, including the ongoing visit by State Councillor Li Guixian and the Commander of the PLA Air Force Yu Zhenwu, as well as a planned visit by Minister of Defence Chi Haotian. Several retaliatory measures were taken, mainly the postponement of expert consultation between the two nations on "the Missile Technology Control Regime" and nuclear energy cooperation, and the planned visits, scheduled respectively for June and July, by the two senior State Department officials in charge of the affairs of arms control.²⁵⁷ All of these measures are understandable. On June 16, the PRC government announced the recall of Ambassador Li Daoyu. Although this move was taken under strong pressure from the military,²⁵⁸ it remained reasonable. It demonstrated that Beijing still exercised restraint in attempting to find a diplomatic resolution to its dispute with Washington over America's inconsistent decisions on Lee's visa. Nevertheless, on July 18 Beijing abruptly announced that the PLA would conduct manoeuvres in the Taiwan Strait.²⁵⁹

Beijing's shift from employing diplomatic and political pressure to utilising military force to settle a diplomatic incident is questionable. Although Beijing made representations through diplomatic channels simultaneously, it insisted that Washington no longer cling obstinately to a mistaken position and that it make a pledge not to issue permits to Lee and other top Taiwan leaders for further US

²⁵⁶ . "Lee's US Entry Visa Protested," *Beijing Review*, June 12-18, 1995, p.7; "China Issues Strong Protest to US," *Beijing Review*, June 12-18, 1995, pp.18-19.

²⁵⁷ . "News Brief by Chinese Foreign Ministry," *Beijing Review*, June 12-18, 1995, p.21; "Lee's US Entry Visa Protested," *Beijing Review*, June 12-18, 1995, p.7.

²⁵⁸ . John W. Garver believes that this resulted from the military's pressure. See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.71-73.

²⁵⁹ . Chu-cheng Ming, "Political Interactions Across the Taiwan Strait," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.190-192.

visits.²⁶⁰ Beijing's overreactions even gave rise to controversy inside the PRC elite, including officials of the Ministry of Foreign Affairs (MFA) and researchers of the Chinese Academy of Social Sciences.²⁶¹ The MFA did not advocate aggravating tension over Lee's US visit while the Taiwan Affairs Office objected to any retaliatory measures beyond those deemed strictly necessary. However, their moderate voices were overridden by the powerful military.²⁶² In particular, the China Institute for International Economic Relations, an important think-tank on foreign policy in which there were influential government officials and retired senior diplomats, implicitly criticised the Chinese leadership. It argued that it was unnecessary to demand the US government acknowledge its mistake, as this was unlikely to happen. It maintained that disputes between the PRC and the US should be settled by means of diplomacy. In reminding the leadership to be prudent in seeking a coercive settlement, it proposed that the PRC should not resort to force unless the US made an attempt to change the *status quo* of the PRC territory and Taiwan brazenly declared independence. Furthermore, it suggested a moderate and flexible Taiwan policy that would treat Taipei on an equal footing as the opposite party of the Chinese civil war and conduct negotiation on peaceful reunification on a reciprocal basis.²⁶³

Facing Beijing's accusations, Washington expressed the view that it respected and understood the PRC's principles and position on the issue of Lee's US visit, but argued that it had not violated the essence of the three PRC-US joint communiqués.²⁶⁴ Whilst refusing to make a formal commitment, Washington consented to impose a strict restriction on future visits to the US by Taiwan leaders. In particular, it promised that Taiwan's top leaders, including Lee, would not be

²⁶⁰ . "News Brief by Chinese Foreign Ministry," *Beijing Review*, June 10-16, 1995, p.19; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.78.

²⁶¹ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.71-73.

²⁶² . Lan Xin, "Lee Teng-hui's US Visit Gives Rise to Internal Strife of Communist China," (蓝辛, "李登辉访美引发中共内斗,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.11-12.

²⁶³ . The Group of Subject of Study under the China Institute for International Economic Relations (中国国际经济关系学会课题组), *China's Foreign Economic Relations toward the 21st Century—An Analysis of Situation and the Policy Proposals* (走向二十一世纪的中国对外经济关系—形势分析与政策建议). August 1995, p.16.

²⁶⁴ . Yue Shan, "The Controversy over Jiang's US Tour inside the Politburo," (岳山, "政治局争论江去美问题,") *Cheng Ming Monthly* (争鸣), No.216, October 1995, pp.14-15.

permitted to visit the US in 1996.²⁶⁵ In spite of Beijing's insistence on its demands, Washington adopted moves to try to ease the strained PRC-US relations. It offered to dispatch Under Secretary of State for Political Affairs, Peter Tarnoff, to Beijing for talks so that it could explain the political difficulties that led to the grant of Lee's visa, but Beijing rejected this until August. Also, Washington did its best to restrict Lee's visit to a strictly private capacity in order to minimise the impact upon PRC-US relations.²⁶⁶

Clinton personally made efforts to mend fences. On June 8, he met Ambassador Li Daoyu at the White House. He pointed out emphatically that the permission for Lee's visit did not represent any major change in America's basic China policy while stressing the unofficial nature of Lee's visit. He gave assurances that the US followed the 'one China' policy and opposed "a 'two Chinas' or 'one-China, one Taiwan' policy".²⁶⁷ On August 1, Clinton sent a letter to Jiang Zemin, secretly making the "three noes" commitment. Simultaneously, he tried to satisfy Jiang's long-held desire for a US visit, expressing that he would welcome Jiang to Washington.²⁶⁸

Beijing reciprocated Washington's goodwill gestures. In August, Harry Wu, a Chinese American human rights activist, who had been sentenced to 15 years in prison on espionage charges, was expelled from the country but not jailed. This cleared the way for First Lady Hillary Clinton's trip to Beijing where she participated in the UN Fourth World Conference on Women in September. Two US air force officers were detained on charges of spying, but were expelled within twenty-four hours.²⁶⁹

²⁶⁵ . Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.71-72; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.78; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.335.

²⁶⁶ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.72.

²⁶⁷ . Gary Klintworth, "Lessons Learned," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.246-247.

²⁶⁸ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.330. For the "three noes" in detail, see Chapter 2.3-4. America's Stance on the Taiwan Issue.

²⁶⁹ . Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.72.

In early August, Beijing softened its tough stance and agreed to hold a high-ranking meeting between the two countries. On August 1, Qian Qishen met Warren Christopher in Brunei.²⁷⁰ Qian urged the US to deliver its promises made in the three PRC-US joint communiqués. He said that the PRC paid due attention to the recent remarks by the US on the Taiwan issue and hoped that it would honour its commitments with “concrete action”. Christopher reaffirmed the US stand on the Taiwan issue and “said the US government will deal with Taiwan on the basis of the ‘one China policy’ ”. He stated that the US was opposed to Taiwan independence and Taiwan’s admission into the UN. In particular, in assuring Qian that the US would carry out the three communiqués, he took a step forward. He said that the US “respects China’s stand that there is only one China in the world, with Taiwan as a part of China”. In the 1978 PRC-US Joint Communiqué on the establishment of diplomatic relations, the US “acknowledges the Chinese position that there is but one China and Taiwan is a part of China”.²⁷¹ For the first time, the US used the wordage of “respect”. This indicated that the US made a concession to the PRC, in an apparent attempt to accommodate Beijing. Qian and Christopher agreed to further high-level talks to ease the tension in relations between the two countries. Later, Beijing sent its ambassador back to the US and accepted Clinton’s nomination of a new ambassador to the PRC. The two countries also restored high-level military contacts.²⁷²

A shift and softening in Beijing’s stance toward Washington evidently demonstrated that the PRC did not necessarily have to make a military response.²⁷³ Faced with problems of cross-strait relations and the PRC-US dispute over Lee’s US visit, there were other policy options open to Beijing. Although the visit was

²⁷⁰ . “US Urged to Make Good of Its Words,” *Beijing Review*, August 21-27, 1995, p.7.

²⁷¹ . “Establishment of Diplomatic Relations between P. R. C. and U. S. A.,” *Peking Review*, December 22, 1978, p.8.

²⁷² . Robert G. Sutter, with the assistance of Seong-Eun Choi, *Shaping China’s Future in World Affairs: The Role of the United States*. Boulder, Colorado: Westview Press, 1996, pp.95-97; John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, p.84.

²⁷³ . “Many in China recognized that Beijing overplayed its hands in pressing” Washington and Taipei with excessive demands in handling the problem of Lee’s US visit. Robert G. Sutter believes that “PRC leaders in 1996 developed an assertive military effort to intimidate Taiwan”. “This hard-line stance played well in the Chinese domestic politics of leadership transition.” See Robert G. Sutter, “Domestic Politics and the U.S.-China-Taiwan Triangle: The 1995-96 Taiwan Strait Conflict and Its

controversial and angered Beijing, it was surprising that it became a reason for military confrontation in the Straits.

Although Beijing appeared to seek a diplomatic solution, it conducted its second round of military exercises, mainly the test-firing of missiles off the northern coast of Taiwan between 15 and 25 August. In November, in southern Fujian province the PLA conducted ground, sea, and air manoeuvres aimed at training for an island assault, in order to intimidate Taiwan.²⁷⁴

However, Clinton still sought to improve PRC-US relations. He met Jiang in New York on October 24 when they attended ceremonies marking the United Nations' fiftieth anniversary. He again reiterated that the US was committed to the principles enshrined in the three communiqués, while reaffirming US commitment to 'one-China'. In particular, he restated the US "three nos" sub-policy on Taiwan, despite not formally using such words. He assured Jiang that his administration's China policy was focussed on engagement rather than containment, stating that "a powerful, stable and prosperous China echoes American interests".²⁷⁵

After the Jiang-Clinton meeting, the tension of PRC-US relations appeared to ease. However, Beijing stepped up its military pressure upon Taiwan. Following the PRC staged war games in late July 1995, including two rounds of missile tests off Taiwan, the Clinton administration exercised restraint despite expressing concern. When the PRC conducted the first round of missile tests near Taiwan waters, the Clinton administration did not lodge a protest with the Jiang administration.²⁷⁶ Through diplomatic means, Beijing was urged to ease cross-strait tension but there was no military response for six months.²⁷⁷ Indeed, the initial reaction of the Clinton administration to the PRC war-games was surprisingly mild. For this reason, some scholars, such as John W. Garver, believe that Washington's infirm stance and initial reaction encouraged Beijing's military adventure. In particular, Garver holds that the

Aftermath," in Robert S. Ross (ed.), *After the Cold War: Domestic Factors and U.S.-China Relations*. Armonk, New York: M. E. Sharpe, 1998, pp.82-93.

²⁷⁴ . The Taiwan Work Office of the C.P.C. Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.115-116.

²⁷⁵ . "Sino-US Summit Fruitful," *Beijing Review*, November 13-19, 1995, pp.5-6.

²⁷⁶ . Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998.

²⁷⁷ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.334.

Jiang-Clinton meeting “seems to have been an important influence on China’s decisions to proceed with the exercises”²⁷⁸

The Chinese “warned that if the United States intervened to defend Taiwan against China, America’s action could lead to war”.²⁷⁹ In October 1995, Xiong Guangkai, then director of the PLA intelligence department, even threatened to incinerate Los Angeles with nuclear destruction if America should come to the aid of Taiwan. However, Washington tried its best to avoid involvement in cross-strait military confrontation or intervention in the PRC war games, despite implicitly warning Beijing. On December 19, the US aircraft carrier *Nimitz* and its three escort vessels and two support ships passed through the Taiwan Strait, supposedly to dodge bad weather. This was the first time a US contingent had entered the Straits since all US forces and military installations withdrew from Taiwan in 1979. While delivering a warning message, Washington continued admonishing Beijing to not escalate the crisis through diplomatic channels. In early 1996 when the PRC Vice Foreign Minister Li Zhaoxing visited Washington, Under Secretary of State Tarnoff “told him that the United States had a clear interest in protecting peace across the Taiwan Strait”.²⁸⁰

Nevertheless, the PRC dramatically escalated its rhetoric, announcing that it would hold a third round of missile testing off the coast of Taiwan between the 8th and 15th of March.²⁸¹ As it was eight months since Lee’s US visit, and Taiwan’s presidential elections were to be held on March 23, the menace of a new round of missile testing was obviously an attempt to intimidate the island and influence its election. Faced by Beijing’s increasing belligerence, Washington had to make a military response.²⁸² If it did not react, it would be seen as having made an empty

²⁷⁸ . See John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, and its book review by Gregory W. Noble, *The China Journal*, Issue 41, January 1999, pp.74-75, 84-85, 95.

²⁷⁹ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.334-335, 342.

²⁸⁰ . Barton Gellman, “U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties,” *The Washington Post*, June 21, 1998; James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.334-335.

²⁸¹ . John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, pp.100-101.

²⁸² . For the Clinton administration’s stance on the Taiwan crisis, see *Crisis in the Taiwan Strait: Implications for U.S. Foreign Policy*. Washington: U.S. Government Printing Office, 1996.

promise in committing itself to help defend Taiwan. More profound, it would damage its credibility by not fulfilling its security commitments to its allies in Asia. Also, US domestic political pressure, in particular pressure from Congress for a tough reaction, forced the White House to respond militarily.

However, before making a decision to deter Beijing by flexing military muscle, the Clinton administration made last-minute efforts to persuade Beijing to cease its most provocative military exercises since July 1995. On March 7 1996, American National Security Adviser Anthony Lake, Secretary of State Warren Christopher and Secretary of Defense, William J. Perry held talks with Chinese Vice Foreign Minister Liu Huaqiu. They warned Beijing not to misinterpret the situation and requested that the PRC stop any military manoeuvre posing a threat to Taiwan. Simultaneously, the US side suggested that the Taiwan crisis should be peacefully resolved through a resumption of cross-strait dialogue and further PRC-US consultations. However, the American efforts failed. The PRC continued its missile tests off Taiwan's southern and northern coastlines on March 8, followed on March 9 by an announcement of a live ammunition exercise in the Taiwan Strait scheduled for March 12. More provocative, the PRC revealed plans for larger-scale manoeuvres, combining operations of the army, navy and air force north-west of Taiwan for the week of March 18-25.²⁸³ These militaristic actions heightened the tension in the Taiwan Strait.

On March 9, the Clinton administration decided to strengthen its response by sending a task force composed of two aircraft carriers. The *Nimitz* was ordered to sail toward the waters off Taiwan to join the *Independence*, which was already stationed in the region.²⁸⁴ Senior American officials talked tough, calling on Beijing to refrain from menacing military exercises against Taiwan. Meanwhile, the Clinton

²⁸³ . Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, pp.92-97; Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998; The Taiwan Work Office of the C.P.C. Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, p.116. However, this document does not admit that the PLA manoeuvres ended five days ahead of schedule because of the American military intervention.

²⁸⁴ . Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, pp.97-99; Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998.

administration still spared no diplomatic efforts to ease tensions between the PRC and the US and prevent the Taiwan crisis from escalating. Authorised by Clinton, Christopher delivered a parallel set of messages to Beijing and Taipei that Washington “would continue to maintain a ‘One China’ policy”.²⁸⁵ On March 11, Sandy Berger, the deputy national security adviser, and Tarnoff held secret talks with Ding Mou-shih, the ROC secretary general of the National Security Council in New York. Berger and Tarnoff called on Taipei to avoid provocative actions. They required Taipei to understand American expectations emphasising that “U.S. military support” did not indicate support for “Taiwan’s independence”.²⁸⁶

Although the Clinton administration reacted by deploying the largest US naval force to the region since the end of the Vietnam War in 1975, the two aircraft-carrier battle groups stationed 110 miles off Taiwan’s shores only monitored the PLA military exercises staying outside the Taiwan Strait.²⁸⁷ In adopting a cautious approach to tackling the crisis, Washington made every effort to avert direct military confrontation or armed conflict, despite mounting tension over Taiwan. The US policy of force blended with diplomacy caused Beijing to consider ceasing its intimidation of the island. The PRC military exercises intended to run until March 25, but ended five days ahead of schedule. In response, the two aircraft-carrier battle groups steamed away a few weeks later.²⁸⁸

2.3-5. Evaluation of the American Factor in the Taiwan Issue

The US involvement in Taiwan was a problem being out of its history in the region. Washington had no intention of interfering in the Chinese civil war or the status of Taiwan in late 1949 and early 1950, although it was firmly opposed to communism. A sudden change in the international climate, because of the outbreak

²⁸⁵ . Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, p.99.

²⁸⁶ . Barton Gellman, “U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties,” *The Washington Post*, June 21, 1998.

²⁸⁷ . Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.74.

²⁸⁸ . Barton Gellman, “U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties,” *The Washington Post*, June 21, 1998; Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, p.99.

of the Korean war, dragged the US into the cross-strait antagonism. The origin of the PRC-US disputes over the Taiwan issue was relevant to the political differences between the two countries. However, by and large, it stemmed from the confrontation between the US-led western world and the Soviet-led communist camp. Therefore, the Taiwan issue was arguably one of the most important problems resulting from the Cold War.

Beijing acknowledged that “in 1949 and 1950” “the US Government officially confirmed” Taiwan’s return to China according to the Cairo Declaration and the Potsdam Proclamation, “and publicly stated that the Taiwan question was China’s internal affair and that the US Government had no intention to interfere in it”.²⁸⁹ Although Beijing blamed Washington for going “back on its own words”, it admitted that “it was only because of the outbreak of the Korean War” that the US changed its original position on Taiwan.²⁹⁰

The US played a critical role in the Taiwan Strait crises, but, it also opened the doors for dialogue with the PRC to prevent further conflict. At the high point of the Cold War when the two countries engaged in sharp military confrontation over Taiwan, the US made efforts to avert war with the PRC, despite making contingency arrangements for such an event. During the peak of the 1996 Taiwan crisis, although America deployed a powerful naval force, it did its best to avoid military conflict.²⁹¹

Most importantly, the US had no territorial ambition for Taiwan. The Taiwan policy records of the American administrations from the 1950s to 1980s show that they did not object to an ultimate reunion of the two sides of the Taiwan Strait. In particular, President Bush and Clinton in the early 1990s expressed their favourable

²⁸⁹ . “Speech by Chiao Kuan-hua, Chairman of Delegation of People’s Republic of China,” *Peking Review*, November 19, 1971, p.6.

²⁹⁰ . “Speech by Chiao Kuan-hua, Chairman of Delegation of People’s Republic of China,” *Peking Review*, November 19, 1971, p.6. Also see Taiwan Affairs Office & Information Office, State Council, People’s Republic of China, “The Taiwan Question and Reunification of China,” (国务院台湾事务办公室/国务院新闻办公室, “台湾问题与中国的统一,”), in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.247-249.

²⁹¹ . Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, p.99; Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.74. In addition, according to David S. Chou, “U.S. intervention has defused the crisis; however, it is unlikely that Washington would send combat troops to defend Taiwan.” See David S. Chou, “Cross-Strait Relations and U.S. Roles in the Taiwan Strait Crisis,” *Issues & Studies*, Vol.32, No.10, October 1996, pp.1, 24.

attitudes toward a final resolution of the issue of China's reunification. However, on the question of under what a sort of political system China would be reunified, the US obviously had problems with a reunion under the Communist regime.

Although the Chinese communist ideology had declined and the transition from a planned to a market economy had been undertaken, the old authoritarian state remained. In particular, the problems of Beijing's elite and succession politics had an impact upon cross-strait relations and PRC-US relations. This raised the fears for the American and Taiwanese over the possibility of reunification under the one-party dictatorship. More unfavourably, the Tiananmen Square massacre of 1989 damaged the PRC image. As a result, this dampened the enthusiasm of residents, including the mainlanders on the island, for reunification and deepened the American doubts about whether it should support Beijing in the reunification process.²⁹² In this sense, a final resolution of the issue of China's reunification hinges on democratisation in the PRC. Should Beijing proceed with political reform, that favourable conditions for democratic reunification may be created. This would help to remove American concerns about a larger Chinese communist state and the obstacles to reunifying China.

This study does not intend to challenge the viewpoint that there was a PRC-US strategic competition in which the US took advantage of Taiwan. Rather, the matter of first importance for the US was that the PRC should peacefully evolve to become a responsible player and live by international rules and norms, just like other large democratised nations.²⁹³ All major powers compete with each other. However, the US found it hard to compete with the PRC on the basis of international norms. In particular, Washington found it hard to predict Beijing's foreign policy. The PRC's capricious and irrational external behaviour, in US eyes, largely resulted from its

²⁹² . See Brian Murray, "Tiananmen: The View from Taipei," *Asian Survey*, Vol.XXX, No.4, April 1990, pp.348-359. In trying to ease Taiwanese and American fears of Chinese reunification under the Communist regime in the aftermath of the Tiananmen massacre, Beijing had to repeatedly declare that its policy toward Taiwan would not change, while seeking to justify its bloody suppression of democratic movement. See "Policy on Taiwan Unchanged," *Beijing Review*, July 10-16, 1989, p.8; "Jiang Reiterates Policy on Reunification," *Beijing Review*, March 26-April 1, 1990, p.7.

²⁹³ . Some "PRC government officials" and "military officers" "hold that US government officials are basically opposed to the rising power of the PRC under Beijing's communist system". See Robert G. Sutter, "The Taiwan Crisis of 1995-96 and US Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.61.

Communist political system. The unpredictability of Beijing's foreign policy made the PRC a possible source of military conflict in East Asia.²⁹⁴

After becoming a democratic state, the PRC would be more likely to accept universal values and play within the common rules of international relations. Undeniably, after the democratisation of the PRC there would still be strategic competition between the US and the PRC, as US-Russian strategic competition developed after the democratisation of Russia. However, that would be a different nature of competition. In particular, the US would compete with a rational and peaceful China without fearing its irrational foreign behaviour, international belligerency or the possibility of Chinese Communist expansion.

Within such a broad international vision, the US defined Taiwan's role in PRC-US relations. Since the late 1980s, the common democratic systems and free-market economies had become a key link in maintaining close US-Taiwan relations despite unofficial ties. The US had political, economic and strategic interests in the island. These vital interests shaped US policy toward Taiwan and dictated that the US play a major role in the question of Taiwan's status.

Both Beijing and Taipei intended to draw Washington to their side. Taiwan saw the US as its political and diplomatic supporter and security guarantor. For the PRC, resolving the Taiwan issue without American support and cooperation would not be possible.

Therefore, in terms of variables in the international system relating to the Taiwan issue, the American factor held the key to the status of the island.

²⁹⁴ . Some PRC elite consider that the US did not view the PRC as an enemy in its the post-Cold War military strategy, but "the development and expansion of a socialist China always is a potential threat in the eyes of the American ruling clique". In particular, the ideological factor of deterring and finally defeating Communism remained playing a major role in US China policy. See The Group of Subject of Study under the China Institute for International Economic Relations (中国国际经济关系学会课题组), *China's Foreign Economic Relations toward the 21st Century—An Analysis of Situation and the Policy Proposals* (走向二十一世纪的中国对外经济关系—形势分析与政策建议). August 1995, pp.14-15.

Chapter Three

The Status of Taiwan

3.1. Taiwan's Strategic Importance and Strength

The Taiwan issue is of great importance, as it relates to security in both the Asia-Pacific region and the world. There are three main potential trouble spots in the region: the Taiwan Strait, the South China Sea and the Korean Peninsula, of which the Taiwan issue is generally acknowledged as the most likely to cause dangerous armed conflict. It also has a most important bearing on PRC national reunification and defence and has been internationalised for half a century, drawing it to the attention of the world's major powers. Thus, Taiwan's status has global consequences affecting international relations.

From the perspectives of geopolitics and military strategy, Taiwan is an important island, potentially worth fighting for by those involved. It is located in Eastern Asia off the southeast of the Chinese mainland, opposite Fujian Province bordering the East China Sea, Philippine Sea, South China Sea, and Taiwan Strait, north of the Philippines. Taiwan is flanked by the Pacific Ocean to the east, holding an important place in the Western Pacific. Its position is a factor in control over the sealane communications on which many countries' economic lifelines depend, in particular, Japan. Meanwhile, the PRC has also become increasingly dependent on ocean shipping. As its economy has expanded rapidly, its sea transportation has developed tremendously since the 1980s. In the late 1980s it had about 1000 merchant vessels (eighth most in the world), navigating to more than 150 countries and regions.²⁹⁵ Most notably, since 1993, the PRC has become a net oil importer.²⁹⁶ Thus Taiwan's strategic importance in ensuring sea passage security has become increasingly

²⁹⁵ . Jianhai Bi, "China's Marine Rights and Interests," (毕建海, "简论我国的海洋权益,") *The (PLA) Naval Journal (海军杂志)*, March 1988, pp.22-24.

²⁹⁶ . The following figures shows crude imports between 1993 and 1996. It imported 15.67 million tons in 1993; 12.35 million tons in 1994; 17.09 million tons in 1995; 22.62 million tons in 1996. See Qing Zhu, "Communist China's Crude Imports and Foreign Relations," (青竹, "中共进口石油与对外关系,") *Cheng Ming Monthly (争鸣)*, No.270, April 2000, pp.25-28; Reuters, "China 1999 Crude Imports at Record 36.6 Million Tons," *Inside China*, January 21, 2000.

essential to the PRC. For the PRC to effectively defend its coastline, ensure itself free from any obstruction to getting in and out of the Pacific and to become a maritime power in the Western Pacific, it is strategically important to control Taiwan. In the PRC evaluation, this strategic significance had been taken more seriously in the early 1990s than before. In broader dimensions, in pursuing an ambitious naval strategy, Taiwan is a key to any PRC attempt to position itself along the sealanes from the Arabian Sea to the Spratlys and control traffic between the Indian and Pacific oceans.

More importantly, Taiwan's special geographic location has an indispensable significance in contending for Northeast and Southeast Asia's dominance. The island can be regarded as a strategic base from which to launch a military attack on the Asian continent. Thus the PRC military considers the immensity of the stake in the status of the island.²⁹⁷ If Taiwan was taken by foreign force away from China, or if Taiwan declared its independence, it would pose a serious threat to China's security. Therefore, Taiwan, as a point of considerable strategic significance, is highly valuable for China.

In terms of international standing and position of strength, Taiwan, with a rich economy and a relatively strong army, was viewed as a medium-sized regional power in the mid-1990s. Although it was excluded from the world community, having been denied membership of the United Nations and other important international organisations for which statehood was a requirement, it was larger than many member states of the United Nations in area, population, economy and military.²⁹⁸ Taiwan's membership of the Asia-Pacific Economic Co-operation forum and the Asian Development Bank highlighted its position of economic strength.

Taiwan enjoyed a booming economy, developing into one of the world's leading economies. In performing an "economic miracle", it had developed into one of Asia's 'tiger economies'. Real growth in GNP had averaged about 9.15% a year

²⁹⁷ . For the PLA view of the military value of the island, see You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.88-89.

²⁹⁸ . The island's territory is 14,000 square miles and it had a population of 21.24 million in late 1995 including the Pescadores, Matsu and Quemoy. See John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, pp.1-7.

during the two decades, from 1970 to 1990.²⁹⁹ The average annual economic growth rate was 6.5 percent in the first half of the 1990s.³⁰⁰ The island became the world's 14th largest economy in the mid-1990s.³⁰¹ Taiwan's 1996 GDP accounted for 1 percent of the world's GDP. This illustrated the high productivity of the Taiwanese people, given that the island's population accounted for 0.4 percent of the world population, and its landmass for 0.03 percent of the world's total. By comparison, the PRC 1996 per-capita GDP only reached US\$ 662, ranking it 77th in the world.³⁰² Taiwan's foreign exchange reserves peaked at US\$ 104 billion in June 1995, becoming one of the world's top foreign exchange reserves.³⁰³ Although Taiwan did not have a seat in the World Trade Organisation and was excluded from both the International Monetary Fund and the World Bank, it was a major power in global trade and investment. It was the world's 15th largest trading partner and the 7th largest overseas investor.³⁰⁴ The island's remarkable economic achievements and its weight in the world economy helped to increase its international stature. Also, by virtue of its world-class economic power, Taiwan had an economic advantage in cross-strait relations. This enhanced the island's powerful bargaining leverage in dealing with its relations with mainland China. However, for the PRC, such a great economic disparity between the two sides of the Taiwan Strait became a barrier to reunification.

In military terms, Taiwan was a medium-sized power in the region, with a large military establishment. The island had 376,000 troops, equipped with 38 warships (principally surface combatants), 4 submarines and 430 combat aircraft.³⁰⁵ Before 1991, the goal of Taiwan's strategy was to have a military which, beyond defending

²⁹⁹ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, p.100.

³⁰⁰ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.25.

³⁰¹ . Chen Chien-jen, "ROC Looks to Future with Vision," *The Free China Journal*, April 10, 1998.

³⁰² . Elizabeth Hsu, "Taiwan's 1996 Per-Capita GDP Ranks 25th in the World," *CNA*, September 15, 1998.

³⁰³ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.6.

³⁰⁴ . K.C. Huang and Sofia Wu, "Open, Peaceful Cross-Strait Engagements Are in US Interests," *CNA*, December 31, 1998.

³⁰⁵ . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, pp.192-193. In comparison, the PRC had 2,930,000 troops, which were equipped with 50 warships (principally surface combatants), 52 submarines and 4,970 combat aircraft, *ibid.*, pp.176-179.

the island, would also be capable of invading and recovering the Chinese mainland that had been lost to the Communists. Thereafter the combat mission of the armed forces had been changed to defend the island rather than to take back mainland China by force, as the Taiwan authorities declared that they no longer sought to represent the whole of China, nor they would fight for the mainland with the PRC. Taiwan's military strategy focused on defence against, and effective deterrence of, a PLA attack. Taiwan was in the midst of a reorganisation and restructuring of its army. It was building a new generation of military forces based on the principles of smaller numbers, higher quality, and high operational capability. The goal was to build a high-technology military capable of deterring the PRC and conforming to the new strategic situation. In the process of military modernisation, Taiwan, had since the early 1990s, made large-scale purchases while also developing indigenous weapons. Taiwan was one of the world's biggest importers of weapons, spending US\$ 1.5 billion on arms in 1996.³⁰⁶

In terms of the military balance, the PRC enjoyed superiority over Taiwan in most categories. Taiwan was vastly outnumbered but it had gained an advantage of quality over the PRC in some respects. The PRC had the largest army in the world. It had a larger naval force than Taiwan.³⁰⁷ In addition to a large number of warships of Chinese manufacture, the PLA Navy had purchased Russia Kilo-class submarines. Meanwhile, the Taiwanese Navy had acquired French-made La Fayette-class and American-made frigates.³⁰⁸ This made it a middle-naval power.

In respect of the balance of air forces, the PLA Air Force had its own strong point with Sukhoi-27 combat aircraft purchased from Russia.³⁰⁹ However, Taiwan had a

³⁰⁶. Alexander Nicoll, "Taiwan's Purchases Fuel Arms Trade Growth," *The Financial Times*, October 23, 1998.

³⁰⁷. For the force of the PLA Navy, see International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, pp.177-178.

³⁰⁸. Taiwan ordered 6 LaFayette-class missile frigates from France in 1992 and most of them were delivered in 1996. Also, it acquired 6 Knox-class missile frigates from the United States between 1992 and 1996. In addition, Taiwan ordered 7 American-made Perry-class frigates, which were delivered between 1993 and 1998. See International Institute for Strategic Studies, *The Military Balance: 1999/2000*. Oxford: Oxford University Press, 1999, pp.178-179.

³⁰⁹. The PLA Air Force had imported 26 SU-27 fighters from the Russians in the early 1990s and was expected to acquire more. See International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.178.

more modern air force with US-made F-16 and French Mirage 2000-5 jet fighters.³¹⁰ It sought to acquire air command of the Straits. This made it the second most powerful Asian airforce after that of Japan.

Surveying total military capabilities, the PLA appeared to be capable of blockading the island, but it lacked the military capability to launch and sustain an amphibious assault against Taiwan. However, the PRC enjoyed a monopoly on certain weapon systems, such as strategic nuclear forces and ballistic missiles. In particular, the PLA had deployed a large number of short-and middle-range ballistic missiles that were aimed at Taiwan. This missile deployment was the most threatening aspect of the PLA build-up.

In the mid 1990s although the situation in the Straits was at *détente*, military build-up by both Taiwan and mainland China had never slackened.³¹¹ The result had been an intense arms race as the PRC purchased weapons from Russia and the island sought to counter by buying arms from the US. If such an arms race continued, the military balance of power in the Straits would probably favour the PRC in the long run because of its growing national strength. Under the circumstances, although Taiwan was actively developing and improving its military strength, it knew it must rely on the United States for security. Under the Taiwan Relations Act, the US would stand against any effort to retake Taiwan by force. Taipei was heavily dependent on Washington for its arms, as the US was its largest supplier. The US remained the largest, strongest and most important guardian of Taiwan's military security. Therefore, Taipei made efforts to preserve its own security by US-Taiwan military relations. For Washington's part, it viewed Taiwan as an important force in balancing the PRC increasing economic strength, rising military power and expanding international political influence. Thus it was concerned about Taiwan's security and helped the island enhance defence while maintaining the military balance in the Straits.

³¹⁰ . Taiwan ordered 150 F-16s and 60 *Mirage* 2000s in 1992. They were delivered in succession until 1999. See International Institute for Strategic Studies, *The Military Balance: 1999/2000*. Oxford: Oxford University Press, 1999, pp.178, 175.

³¹¹ . For an overview of the arms race between Taiwan and the PRC, see Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.77-91, 153-169.

Taiwan's history indicates that the island has attracted international attention and been a focal point of conflict throughout modern history.³¹² In particular, from the late 1940s and early 1950s on, Taiwan had become the focus of the world's attention in the context of the Cold War's early years. Following the Communist take-over of the mainland in 1949 when the PRC was founded, Chinese Nationalist leader Chiang Kai-shek transplanted his government to Taipei, regarded by the Nationalists as a provisional national capital. Chiang's Nationalist government continued to insist it was the legitimate government of all of China, formally known as the Republic of China, but usually called "Taiwan". Chiang's Nationalist government intended to return to the mainland of China by armed force. It cooperated with the United States to help curb the Communist expansion led by the Soviet Union and joined by the PRC. Such a state of tension was maintained for more than twenty years. In cross-strait relations, Taipei experienced two Taiwan Strait crises in 1954-1955 and 1958 during the high tide of the Cold War. Capture by the PRC was avoided because of US protection. However, in 1971 President Richard Nixon's visit to the PRC effectively ended Chiang's hope of recovery of the lost mainland by force. In 1971, Taiwan lost its seats in both the UN and the Security Council, where it was replaced by the PRC. Many countries, including the Western European powers, changed their diplomatic recognition from Taipei to Beijing and Taiwan became increasingly isolated diplomatically.

After Chiang Kai-shek died in 1975, vice president, Yen Chia-kan succeeded as president. Real power and control over Taiwan's government remained with Chiang Kai-shek's son, Chiang Ching-kuo, who was formally elected president in 1978 and again in 1984. In 1979, the US became the last major power to switch its recognition to Beijing. Since then, only a handful of countries have maintained formal diplomatic relations with Taipei. Both Taipei and Beijing insisted that a country may recognise only one Chinese government. Although Taiwan was frustrated by these

³¹² . For a survey of Taiwan history, see John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, pp.21-33. Also see Taiwan Affairs Office & Information Office, State Council, People's Republic of China, "The Taiwan Question and Reunification of China," (国务院台湾事务办公室/国务院新闻办公室, "台湾问题与中国的统一,") August 1993, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.245-248.

setbacks, the government led by Chiang Ching-Kuo had never given up its objective of returning from the island to the mainland.

Taiwan had different positions and roles in the international system during the Cold War and post-Cold War era. Between 1949 and 1970, it played an important role in the US global strategy of containing communism. However, Between 1971-1991, as the US and the PRC improved relations because of a common interest in containing the Soviet Union, the importance of Taiwan's position in the world arena decreased. However, although Taiwan's strategic importance in the pattern of international relations was affected by the unfavourable diplomatic environment it remained substantively unchanged in terms of basic long-term significance.

The genesis of the Taiwan issue was connected with the origins of the Cold War. The substance of the Cold War from a Western perspective was anti-Communism. When the Soviet communist empire rapidly expanded, the Chinese Communist forces rose sharply and became second leader of the international communist bloc. In particular, it played a leading role in Asian communism. The PRC had been hostile to the United States while supporting so-called national liberation movements and promoting the spread of Communism in Asia. The PRC aided, financially and militarily, armed rebellions in the Southeast Asian countries against the former colonial powers or client governments of the Western alliance, thus expanding its sphere of influence.

To combat the communist influence in Asia, a broad and close network of military security treaties among the US and regional countries was established for the pursuit of the common interest of containing the PRC and the Soviet Union. Taiwan, as the mortal enemy of the PRC, was an essential link in such a network, becoming a staunch ally of the US. The US-ROC mutual defence treaty was signed in 1954. The US built military bases and stationed air force and navy units in Taiwan and the Taiwan Strait. Taiwan became an important part of the US East Asia security alliance structure and an outpost of the American containment strategy. During periods of the 1950s and 1960s, Taiwan contributed its share to the struggle against Communism. In return, the Cold War spurred the US to support Taiwan's fiercely anti-Communist government, which billed itself as "Free China." The US gave considerable amounts of economic and military assistance to Taiwan. The extent of

military cooperation between Washington and Taipei was of benefit to both sides. The American military assistance and defensive commitment to Taiwan had effectively protected the island from PRC invasion. Most significant, in the two Taiwan Strait crises of the 1950s, the US firmly safeguarded Taiwan and its offshore islands. The American naval force provided logistical support and escort for Taiwan's troops in repulsing PRC attacks when the PLA bombarded and blockaded the islands of Jinmen.

However, as part of the evolution of the international situation in the early 1970s, the US reshaped its foreign policy, affecting the role of Taiwan. Faced with the increasing expansionism and threats of the Soviet Union, the US and the PRC came together to cope with their common enemy. As such, the PRC emerged as a wildcard in the major power game, with the US stressing the important role of the PRC in the balance of power in the Asia-Pacific region, even the globe, so as to contain the rise of the Soviet Union and make up for the perceived American deficiency in national strength. By contrast, Taiwan's role in the American strategy of superpower rivalry was downgraded. This notwithstanding, Taiwan persevered in following the US in the fight against Communism in spite of the PRC-Soviet split. Although Taipei for a time appeared to tacitly approach Moscow in an attempt to balance the PRC-US rapprochement, it still made its contributions to the resistance of the Soviet expansion in the Western Pacific.³¹³

The demise of the Soviet Union and the end of the Cold War changed the international political situation, re-locating the position and role of Taiwan in the world strategic pattern. With the PRC no longer vital as a strategic partner for the US in the post-Cold War era, fundamental and long-standing political and ideological differences were exposed and a number of new problems emerged in PRC-US relations. Washington intended to establish a new world order that would enlarge the democratic world by transforming those totalitarian regimes, in particular the communist regimes, into democratic systems. In the friction between the sole global superpower and the surviving communist power, Taiwan considerations played a major role in US China policy. Meanwhile, Beijing wanted to continue its grip on

³¹³ . For the relationship between the US and the ROC during the late 1940s and the late 1970s, see John W. Garver, *The Sino-American Alliance: Nationalist China and American Cold War Strategy in Asia*. Armonk, N.Y.: M.E. Sharpe, 1997.

political power and ensure the PRC major power status in the post-Cold War era. In doing so, Beijing wished to expand the country's strength internationally through early merging with Taiwan. Under such circumstances, the Taiwan issue became a focus of the competition between the PRC and the US from the early 1990s. Therefore, the international political significance of Taiwan's status was reestablished.

3.2. Taiwan's Political Situation and the Political Forces of Unification vis-à-vis Independence

3.2-1. Democratisation and the Pro-Unification and Pro-Independence Camps

Chiang Ching-kuo made major economic and political changes to Taiwan. In his earlier terms of office, the economic "miracle" was accomplished while ruling Taiwan with dictatorial powers. About two years before dying, he sought to innovate politics to change the authoritative governance. Although he had not slackened in his efforts to recover mainland China, this had become increasingly impossible. Under the circumstances, the legitimacy of the Nationalist regime, constituted by the mainlanders and their descendants, became problematic. They dominated the government through the election rules that kept them in power despite making up only about 15 percent of the population. As a result, they controlled top party and government jobs for years. There were few major political leaders in the KMT (Kuomintang) and government who were native Taiwanese. This became an unfavourable factor affecting the island's unity and stability. In making an attempt to consolidate the political foundation of the Nationalist regime and improve the government's image, a programme of using indigenous officials was carried out. A great number of native Taiwanese were promoted to higher office. More significantly, Chiang took major policy initiatives with a realistic assessment of both the international situation and domestic factors. First, in adjusting his "three-no" policies, no contact, no negotiation and no compromise, he revised policy toward the mainland. Taiwanese residents were permitted to visit their relatives on the Chinese

mainland. Thereby he eased cross-strait tension and ushered in a new period for exchanges. Secondly, he opened up Taiwanese society. The most fundamental measure was that martial law was lifted. The government legalised opposition political parties while permitting press freedom. Political restructuring on the island led to abandoning the system of dictatorship. Thus Chiang Ching-kuo opened a new epoch for the democratisation of Taiwan while beginning a policy of "Taiwanisation".³¹⁴

After Chiang Ching-kuo's death in 1988, Lee Teng-hui, a Taiwanese native, took the office of president while assuming the ruling KMT chairmanship for the first time. Lee carried on Chiang's program of political liberalisation and conducted further "Taiwanisation", promoting a relatively peaceful transition from dictatorship to democracy. He officially lifted the 43 year (from 1949 to 1991) state of emergency. More remarkable, he significantly reformed the political system, developing Taiwan into a fully fledged democracy.³¹⁵ His political reconstruction concentrated on three aspects: a constitutional amendment, major reform of the legislative body and direct presidential elections. Lee's role in promoting political reform and democratisation had been controversial. On one hand, he had earned the nickname "Mr Democracy" for leading Taiwan's evolution from authoritarianism to democracy through a "velvet revolution". On the other hand, he had been criticised for allowing the influence of factionalism and business groups in politics to flourish. Many party members also decried his authoritarian style within the KMT because he ruled his party like an authoritarian, silencing or forcing out most of his opponents.³¹⁶ To a great extent, Lee's promotion of the democratisation of Taiwan was to calculate to maintain his power. As the island's first native-born leader, he had the political advantage of localism and was able to utilise his political resource as native

³¹⁴ . Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, pp.112-156; Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*. London; New York: Routledge, 1997, pp.46-51; Yu Ke, "Will It Be Overcast Or Fine Over the Taiwan Strait After March?" (余柯, "三月过后是阴还是晴?") *The Perspective* (南北极), No.310, April 1996, p.19.

³¹⁵ . For an overview of Taiwan's political reform and democratisation, see Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999.

³¹⁶ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.167-168.

Taiwanese were a majority in Taiwan. Through mobilising popular support for himself and manipulating the election with 'money politics' he could be elected easily for successive terms. Indeed, in the democratisation process, the KMT had diminished its power because of the end of one-party dictatorship, but Lee's leadership had consolidated and he held immeasurable personal power. Despite these mixed appraisals of his contributions to the island's democratisation, he played a leading role in democratising Taiwan.

Political reform brought about a significant change in the polity. Undeniably, stepping toward democratisation, had sobering aspects, such as the negative style of politics and the imperfect rules of the democratic game, especially as regards 'money politics'. Although the healthy development of a democratic system remained to be undertaken, democracy had taken hold in Taiwan. Constitutional politics, majority rule, responsible politics, and, in particular, party politics had been established. Free general elections were embraced, becoming the essential part of Taiwan's democratic system. In the mid-1990s, Taiwan's political pattern was structured by three parties: the KMT, or the Nationalist Party, the Democratic Progressive Party (DPP) and the Chinese New Party (CNP). Taiwan's political climate was affected by developments and activities associated with these three political parties. A shifting political spectrum was reshaping Taiwan while reorganising the political power structure. As democratic freedoms, a mature pluralistic society and multiparty elections flourished, the pro-independence forces appeared to be rising. These new developments in Taiwan's politics injected an uncertainty into cross-strait relations, but did not significantly affect the general situation.

Reform redrew the island's political map, reorganising the political forces and mainly restructuring the pro-unification and pro-independence camps. Yet, there was not a fundamental change in the balance of political forces between pro-unification and pro-independence although the pro-unification forces retained the advantage in Taiwan's political landscape. The ruling KMT was centrist and right-leaning. It had monopolised politics in Taiwan for nearly five decades. Although it was slightly weakened by a split (a rightist faction of the party separated and established a Chinese New Party), it was still formidable. The KMT continued to pursue its established policy of unification with a democratic China. The right-wing CNP was

the second-largest in the Opposition, having an important influence. It also strongly supported reunification with mainland China. The DPP, the largest opposition party, was the left-wing party. Although its strength had increased since the late 1980s and the early 1990s, the fear that most residents in the island felt toward its independence platform largely restrained its political expansion. This political pattern demonstrated that in Taiwan's internal conflicts between the pro-unification and pro-independence camps, the pro-separation forces were still in an unfavourable situation.

3.2-2. The KMT and Its Position on Unification

The KMT was still powerful in 1995. Immeasurable power remained in the hands of the Nationalists who were in charge of the presidency while holding a legislative majority. Although the KMT was challenged by the DPP and the CNP, it did not face a threat to its more than four decades of rule in Taiwan. It seemed that there was uncertainty ahead, but the KMT was still the biggest influence on Taiwan's political situation. This demonstrated that during 1995 and 1996 other political forces, in particular the pro-independence force, had little chance to replace the KMT in power. In the first half of the 1990s, the relationship between the ruling party and the government remained the authoritative model. The KMT directly led the island's administration despite democratisation. After the major issues were discussed and decided by the party's central standing committee meetings, the cabinet rubber-stamped and implemented the decisions. In particular, the party still controlled government personnel, money and legal powers. They indicated that there would not be a dramatic change in the state system and national identity.

The balance of political forces within the party did place restrictions on Lee Teng-hui, who found it extremely difficult to change the party's orientations. He took steps to further "Taiwanise" the party, but the mainlander members had opposed Lee's greater "Taiwanisation". In particular, Lee's actions in democratising the island but not democratising the party and promoting advantages to native-born Taiwanese in order to consolidate his power were revealed. The party's leadership consisted largely of Taiwan natives. Yet, Lee was not able to completely control the

party because he lacked the authority that Chiang Kai-shek and his son, Chiang Ching-kuo, enjoyed despite dominating most party's departments through the support from the native Taiwanese members. In the face of opposition from old-line Nationalists, Lee had to make compromises with them. He appeared to try to turn the KMT's ideological axis, but its traditional core ideology of the Three People's Principles, as outlined by founding father Sun Yat-sen, comprising the political ideas of nationalism, democracy and people's livelihood, had not significantly changed because of the mainlanders' adherence. As the power struggle became fierce, Lee was accused of allowing political factions and business interests to gain increasing influence in the island's politics. Finally, the contradictions between Lee and the opposition erupted in late 1995 when the two heavyweights, Lin Yang-kang and Chen Li-an, competed with Lee for the Nationalist presidential candidature.³¹⁷

In terms of the issue of national unification, the KMT had consistently maintained in principle that it sought unification with mainland China. The Nationalists advocated eventual unification, but claimed that the two sides of the Taiwan Strait should be unified under the Three Principles of the People. In particular, the KMT required the democratisation of mainland China as a prerequisite for unification. In this context, the party made and carried out its cross-strait policy.³¹⁸ There were some elements sympathising with Taiwan independence or demanding to keep mainland China at arm's length in the KMT. For example, a faction within the party favoured native Taiwanese over those of mainland Chinese descent. However, the pro-unification mainstream predominated over this native-faction.

3.2-3. The CNP and Its Pro-Unification Stance

The Chinese New Party (CNP) was a former KMT faction that broke away from the ruling party in 1993.³¹⁹ It was composed of mostly mainland-born citizens and

³¹⁷ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.150-151, 161-168, 174-175; Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, pp.274-276.

³¹⁸ . The KMT was the governing party and its cross-strait policy was same as that of the government. This will be dealt with more detailed in Chapter 3.3-3. Mainland Policy.

³¹⁹ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.167.

their descendants who moved to Taiwan in 1949. Although it was a relatively minor party compared to the KMT and the DPP, it had played an important role in opposition politics. Some of Taiwan's most important political figures were members of the CNP while holding public office. In the 1995 legislative election, the CNP received an unexpectedly impressive 13 percent of the vote, winning 21 seats in the 164-seat legislature, becoming the second largest opposition party. In basic terms, it was the party of the average city resident. Specifically, its core members were well-educated professionals such as government functionaries, teachers and military officers. This attracted young middle-class urban voters.³²⁰ Thus it enjoyed a higher support rate in the major cities, especially in metropolitan Taipei, where it had greater support than the KMT. In the December 1994 Taipei mayoral race, Chao Shao-kong, the CNP candidate, ran a close second receiving more votes than the KMT candidate, then Taipei Mayor Huang Ta-chou, although the DPP's Chen Shui-bian was the eventual winner.³²¹ The CNP's victory in the legislative election and the subsequent increase in its influence on the island helped to weaken the KMT's control of the parliament and administration while balancing the DPP. However, an arduous task facing the CNP that of was how to establish broad political support. It had to reshape its domestic policy to meet the demands of voters from diverse demographic groups, especially aiming at constituencies at the grass-roots level, as well as towns, villages and boroughs. In raising its position in the domestic political arena, a greater effort needed to be made to gain support from native Taiwanese.³²² This notwithstanding, as the third major party, the CNP was an important political force having an influence in setting the direction of policy.

The CNP advocated a return to the KMT's traditional core ideology, "three principles of the people", aiming at the whole China. The New Party leaders advertised that the real soul of the KMT resided in the CNP. Policy differences between the CNP and the KMT resulted from an ideology and power struggle between the CNP founders, a group of disgruntled KMT members and Lee Teng-hui.

³²⁰ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.94-95.

³²¹ . Li Qihong, "Can the New Party Vanish Like a Bubble?" (李气虹, "新党会'泡沫化'吗,") *United Morning Daily* (联合早报), November 28, 2001.

Before establishing the CNP in 1993, they blamed Lee for exploiting the state presidency and KMT chairmanship to pursue his personal political benefit while criticising his policy for going against the party's orthodoxy and being in contradiction of the interests of the KMT. Their persistent criticism deeply offended Lee and they were repressed within the KMT. As a result, this dissident branch broke away from the ruling party to protest against Lee's undemocratic practices and questionable policies, forming the CNP. Thus the CNP was firmly opposed to Lee. Almost all its major policy standpoints targeted Lee. For example, it denounced corrupt money politics and was concerned that Lee was responsible for cronyism in the Nationalists' ranks and increasing corruption and vote-buying by purchasing popularity with campaign bribery. Thus the CNP fought against "black-and-gold politics" demanding just elections and clean government. Given that the roots of most members were in mainland China, the CNP also criticised Lee for his over-"Taiwanisation" of the island. In particular, the CNP continuously and sharply attacked Lee's pro-Japan sentiments. It always campaigned on the twin theme that it was anti-Lee and anti-independence. In boycotting some policies of Lee, the CNP had worked hard to prevent Lee from going too far along with his line on "Taiwanisation". Its strong anti-Lee sentiments largely reduced Lee's room to manoeuvre. Lee was compelled to have scruples about pushing extreme localisation. This demonstrated the CNP's ability to exert pressure in handling the issues of national identity and cross-strait relations.

The CNP was totally opposed to the idea of an independent Taiwanese sovereign country. In maintaining no independence for Taiwan, it sought to urge Taiwanese to consider that Beijing would use force against Taiwan if the island declared *de jure* independence and, thus, an independent Taiwan would not be the way forward for the island. This resulted in a weakening of pro-independence forces. In particular, the CNP's anti-independence stance gained the support of two influential groups—the military and business. As Taiwan shifted toward democracy, the troops had become politically neutral. However, Taiwan's military had traditionally opposed independence while adhering to the proclaimed goal of unification with the

³²² . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.172-174; Keith Maguire, *The Rise of Modern Taiwan*. Aldershot, Hampshire, England; Brookfield, Vermont, USA: Ashgate, 1998, p.119.

mainland. A lot of military officers and their families supported the CNP and strongly opposed Taiwan independence. They indicated an unwillingness to fight for a Taiwanese republic because they did not think it a just war worth of heroic sacrifice. Many Taiwanese who had close commercial ties with mainland China, in particular investors on the mainland, also positively supported the CNP in thwarting the Taiwanese-statehood fundamentalists' attempts for independence. They had significantly invested on the Chinese mainland and feared that separatists would move the island toward independence which could trigger a war across the Straits and could damage their cross-strait business. They favoured the CNP because it tried to improve cross-strait relations and help resolve the problems they faced in doing business with the mainland. The CNP's association with these two influential groups played a crucial role in preventing the pro-independence forces from seeking Taiwanese statehood. In addition, the CNP shared positions with the ruling KMT on unification with mainland China. Therefore, in fact, there was an alliance between these two unification-leaning parties against the DPP, restraining the political strength of separatist forces in Taiwan.

In an ardent national unification mould, the CNP championed reunion of the two sides of the Straits. Its basic mainland policy was to promote peaceful national unification under the principle of a single China. It advocated cross-strait negotiations over political issues, including unification. It proposed to conduct direct dialogue between Beijing and Taipei on how the two sides of the Straits could reach reconciliation and seek a resolution that would be acceptable to both. With a strong commitment to the island's reunion with mainland China, it hoped to establish a long-term mechanism for negotiations, with the view to achieving eventual unification. This would help to increase mutual understanding between Taiwan and mainland China and facilitate unification processes. Critical of Lee for delaying unification talks, the CNP thought that he was inclined to "splittism" in deeds despite supporting reunification in words. The CNP was the most active in calling for intensified economic and cultural exchanges with the Chinese mainland. It supported enhanced cross-strait economic relations by advocating the immediate opening of trade, navigation and postal communications. Standing by a shared Chinese culture, it made an effort to promote peaceful interaction and positive interchange between

people on both sides of the Straits. The CNP was known for its close contacts with mainland China. Its leaders and lawmakers had made many trips to mainland China and had been granted access to some of Beijing's top leaders, exchanging views on the cross-strait issues. It criticised the government's restrictive policy toward investment on the Chinese mainland while claiming Taipei had overlooked numerous difficulties faced by Taiwanese businessmen operating on the mainland. It sought to align the party with their interests and positively serve them requiring both Beijing and Taipei to take more substantial measures to protect Taiwanese investors doing business on the mainland.

Although the CNP was the most vocal in championing unification with the mainland, it maintained that unification should not be completed under the Communist regime. The acceptance of "one country, two systems" was not part of the party's platform, despite being supported by a small group of members. The CNP believed that the future of the Chinese nation should be a democratic China. As such, it considered that the biggest barrier to cross-strait unification was the one-party dictatorship in mainland China. While backing closer engagement with the mainland, the CNP sought to take a more aggressive stance toward mainland policy, expecting to help bring about changes in mainland China through active contacts and exchanges. Meanwhile, faced with the DPP's allegation that the CNP wanted to sell out the island to China's communist rulers, the CNP stressed the well-being of Taiwan's 21 million people in addressing the issues of unification and cross-strait ties. The CNP advocated that the vital interests of the Taiwan people should be preserved in the unification process, in an apparent attempt to win more voters and maintain the party's influence in the domestic political arena.³²³

3.2-4. The DPP and Its Increasingly Ambiguous Independence

³²³ . For the CNP's political standpoints on major issues, see Sun Qingyu, *We Should Like to Ask the New Party*(孙庆余, 请问新党). Taipei: The Rice Field Publishing Ltd.(稻田出版有限公司), 1995; John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, pp.104-105; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.167-168; Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, p.281; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.4; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.153-154.

Platform

The Democratic Progressive Party (DPP), originated from a banned, underground organisation and was formed illegally in 1986, prior to the 1987 repeal of martial law. The democracy and independence movement on the island had risen, fighting for the native-born Taiwanese against the Nationalists' authoritarian rule. Pro-democracy and pro-independence activists gathered their strength and broke through the government's prohibition against forming such a left-leaning party. While making its contributions to democratisation, the DPP became an important political force in Taiwan. In the 1993 local government mayoral and commissioners' elections, the DPP scored 41 percent of the vote. However, its support rate did not grow substantially beyond this. Compared with the 1992 parliamentary elections, it got a disappointing 33 percent of the vote in 1995, an increase of only two percentage points.³²⁴ This indicated that although the DPP was ecstatic at the ending of more than four decades of KMT rule, it would still prove an arduous struggle for the party to become the largest in the legislature and capture the presidency.

There were a number of factors restraining the DPP. Firstly, it was handicapped by its own limited foundation. The party was led and supported exclusively by native-born Taiwanese, while being opposed by the mainlanders. It had backing from grassroots supporters but was largely limited to rural south Taiwan. Although the DPP's candidate for Taipei mayor, Chen Shui-bian won in 1994, his voter was less than 50%. In fact, this victory came about largely as a result of a bitter and disruptive competition between the KMT and the CNP candidates.³²⁵ Secondly, the DPP was short of political resources such money and exposure in state-controlled media. A shortage of DPP managerial experience, in particular an inexperienced party in administering the economy, had become an obstacle to its capture of governance of the island. Compared with the KMT's strong economic credentials, courtesy of a superior financial and economic team, the DPP had no talent in dealing

³²⁴ . Wang Yu, "On What Did Taiwan's Election Results Shed Light?" (王玉, "台湾选举结果说明了什么?") *Outlook Weekly* (了望), April 1, 1996, p.7; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.95; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.164-166.

with the economy. Most Taiwanese concerned about the DPP's ability to manage the economy preferred to continue seeing the island's rapid but sustained economic growth under the KMT government, despite being unhappy with the KMT's other behaviour. Thus, it was extremely difficult to imagine that the DPP could mount a credible challenge to the KMT in the mid-1990s.³²⁶

The DPP had long held that Taiwan should be permanently independent of China. However, its pro-independence political programme not only had little chance of realisation but also had the potential to spark off a war across the Straits. The programme frightened most voters in Taiwan, concerned major powers and regional countries, and increasingly became a political burden to the party. The DPP adopted a platform in the late 1980s and early 1990s calling for formal independence from China. This policy was called "the establishment of a Republic of Taiwan" and had two main points. One was, in accordance with the reality of Taiwan sovereignty, to found an independent state and draw up a new constitution. The other was that, under the principle of self-determination as enshrined in the UN Charter, Taiwan's 21 million residents should be able to determine their own fate. Thus, the party's charter called for a referendum by Taiwanese people to decide on the island's future status, including its claim for rewriting the Constitution and founding a republic of Taiwan.³²⁷ Yet, the party's "Taiwan independence" platform caused deep concerns domestically and externally. The island had become an affluent society since the 1970s and the majority of Taiwan's people disliked taking risks that could disrupt their stable, prosperous existences. Most of the populace in Taiwan feared and opposed a war for independence. A tiny minority of residents stood up for the DPP independence platform. The DPP was expanding and most Taiwan independence fundamentalists returned from abroad over the early 1990s appearing to enhance the pro-independence political forces. However, although the DPP was largely

³²⁵ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.172.

³²⁶ . Even former DPP chairman Hsu Hsin-liang considered that his party would be hard put to be in power before 2000. See Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, p.37.

³²⁷ . The Democratic Progressive Party, *The Policy White Paper: Planks* (民主进步党, 政策白皮书 <纲领篇>). Taipei: The Fine Words Printing Ltd. (优生印刷有限公司), 1993, pp.229-232; Wang Jiaying, "Diluting the Meaning of Taiwan Independence Was Unhelpful to Break a Cross-Strait Deadlock," (王家英, "淡化台独无助破解两岸僵局,") *United Morning Daily* (联合早报), December 30, 2001.

composed of elements supporting or sympathising with separatism, not all members supported independence for Taiwan. Activists with aspirations for formal Taiwan independence, in particular, die-hard advocates of Taiwanese statehood were small in number. What many party members and DPP supporters really wanted was self-government for Taiwan. Some supporters felt they were ethnically Chinese and accepted some form of union with mainland China, they, just, wished to oust the KMT from office because they were displeased with its domestic policies and sluggish pace of reforms especially opposing its corruption, and anticipated a DPP government would bring long-needed reforms.

The pro-independence clause in the party's platform cost the party too much, forming a bottleneck blocking up further DPP development and greater influence. In particular, it had frightened many residents and came up against resistance at home bringing about stagnation in the development of the party's supporter base. A majority of voters decided the DPP's party platform for Taiwanese statehood was too risky. In elections, they were scared of the consequences of a declaration of independence. Worried that if the DPP came to power it would carry out its platform which could incur danger of military conflict, more voters fled to the ruling KMT and the CNP. Obviously, the platform had hurt the DPP, proving fatal and the most basic reason for the party's failure at the polls.³²⁸ After repeated failures at the polls, party members were forced to seek to modify the party's independence platform in order to alleviate public worry over their call for independence.³²⁹

Mounting pressure from the international community upon the DPP was another area of concern. The DPP had been viewed by many countries as a party that promulgated independence for Taiwan while giving little thought to its possible consequences. This was of particular concern to Southeast Asian nations. The mainland-island dispute over Taiwan's status was considered the biggest security risk in East Asia. If the DPP took the helm of the government, this might create tension with mainland China, threatening the stability of the Asia Pacific. Taiwan independence did not enjoy support abroad. In particular, it did not gain support

³²⁸ . Cal Clark, "Taiwan in the 1990s: Moving Ahead or Back to the Future?" in William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, pp.211-212.

from the United States. In the event of a PRC attack brought on by a Taiwanese declaration of statehood, few foreign countries would be likely to intervene. Under strong external pressure, in particular from the US, not to cause any trouble, party moderates were aware of the DPP's difficult situation.³²⁹ For the party, it had become increasingly important to adjust its long-held position on Taiwan independence to convince foreign governments that the DPP was a responsible party rather than a troublemaker.

The DPP had been torn by internal struggles since its establishment in 1986. There were five factions: the Formosa Faction, the Justice Alliance, the Welfare State Alliance, the New Tide Faction and the World United Formosans for Independence. Centred on whether it should retain the independence platform and how to become a governing party, factional struggle within the party intensified after 1995. Party moderates expressed their willingness to relax on formal independence while fundamentalists were resolved to carry the independence cause through to the end. The New Tide Faction proposed the independence platform and was the most persistent of it. However, the pragmatist factions held a different view. In their opinion, although the DPP had been appealing to the electorate to help make it the governing party, apprehension over its independence platform initially limited its appeal. They tried to soften their former independence stance, seeking a new way to break through the apparent limits of the party's influence in order to be given a chance to run the island. They believed that by taking a more moderate line, greater opportunities would come the party's way.

In 1995, then DPP chairman Shih Ming-teh, who had long advocated independence for Taiwan, stated that should the DPP take power, no declaration of independence would be necessary and it would not declare independence.³³¹ After the 1995 legislative elections, Shih put forward his policy for "Grand Reconciliation,

³²⁹ . Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, pp.36-37.

³³⁰ . Shortly after the party's defeat in the march 1996 presidential elections, young party members more clearly looked at the impossibility of Taiwanese statehood in the international environment surrounding the party and island. They criticised the fundamentalists for speaking in light of their own wishful thinking but wholly ignoring the international situation that only recognised one China without a place for a Taiwan public. See Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, p.37.

³³¹ . Li Qihong, "The DPP's Cross-Strait Policy Is Closing to the Centre," (李气虹, "民进党的两岸政策向中间靠拢,") *United Morning Daily* (联合早报), October 23, 2001.

Grand Coalition Government". He tried to break through the ideological deadlock on the party's cross-strait policy and reconcile the differences between the political parties. He urged the DPP to establish some common ground with other parties. In particular, he visited the rival CNP headquarters, encouraging tactical cooperation. He proposed that cross-party alliances and a grand coalition government between the ruling party and the opposition parties should be established. He wished to gradually realise the DPP's goal of seeking to rule the island through participation in government. In facilitating such a genuine political reconciliation and a multiparty united government, the DPP would have to soften its independence stance. The airing of such a proposal highlighted an internal policy debate over whether the party should revise its official platform. Many members threw their support behind Shih. However, Shih's proposal sparked a backlash from radical advocates of Taiwan independence, headed by Peng Ming-min. They strongly opposed Shih's reconciliation policy, with its soft stance on Taiwan independence. In the subsequent campaign for the presidency, disputes between these two rival factions over the party's mainland policy had become more intense. This caused a party split. Before the March 1996 presidential election, some smaller factions broke away.³³² Although a significant shift away from the independence claim remained to be seen, the DPP had grown increasingly ambiguous on the sovereignty issue in a bid to expand its voter base and promote a rational impression internationally.³³³

When Lee Teng-hui visited the US in June 1995, the PRC official media believed that the visit was for re-election purposes, because the DPP posed "a formidable threat to his claim for re-election".³³⁴ However, shortly after the visit, Lee and his rival, Peng Ming-min, DPP presidential candidate, were labelled twin separatists who

³³² . After its presidential election setback, the DPP's internal strife regarding whether the independence platform should be changed became fiercer as pragmatists dominated hard-liners. Some disgruntled party members left the DPP and formed their own parties. In particular, fervent independence advocates split off to found the Taiwan Independence Party. These disaffected left-wingers from the DPP believed that the DPP had lost its goals of seeking an independent Republic of Taiwan. Even Peng organised some groups establishing a "Nation-building Union" in demonstrating their disappointment with the DPP's increasing inclination to hollow tokenism of its independence platform. See Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, pp.36-37; Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, p.280.

³³³ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.160.

helped each other to be elected simultaneously.³³⁵ Furthermore, the PRC official media alleged that Lee had been in collaboration with the DPP in pursuing Taiwan independence.³³⁶ A examination of the relationship between the DPP and the KMT demonstrated that Beijing had insufficient grounds to make such an allegation. The fact was that, during the campaign of contesting the presidency, Lee attacked the DPP while Peng accused the Lee government of misadministration, in particular of following the wrong policy on cross-strait relations, even making a personal attack on Lee.³³⁷ Lee had more political enemies than private friends in the DPP. A number of DPP leaders considered Lee anti-democratic because he had unchecked power and ruled the KMT and the island with an authoritarian style.³³⁸ Lee took advantage of the DPP in defeating his political rivals and consolidating his leadership, but he was never ready to share power with it. Being KMT chairman, Lee had to focus about the interests of the ruling party. Some DPP leaders proposed establishing a political alliance and forming a coalition government with the KMT. However, secure in governance, the KMT rejected this proposal, despite seeking the cooperation of the DPP on some policy issues and parliamentary motions.³³⁹ It was hard to eliminate the ferocious political clashes between the KMT and the DPP because hostility between these two major political parties was deep-rooted. There were policy differences between the two parties and their political stands were opposite. In terms of policy standpoints, the DPP was committed to introducing

³³⁴ . Li Jiaquan, "Lee's US visit Defies Agreement," *Beijing Review*, June 26-July 2, 1995, p.19.

³³⁵ . The PRC official media alleged that Lee helped Peng in electioneering through building up momentum for Peng with his domination of media and by mobilising voters to support Peng. In the meantime, Peng helped Lee to run for the presidency. See Zhao Da, "A Champion for Taiwan independence, Peng Mingmian, Was an Intimate Friend of Li Denghui's," (兆达, "‘台独’分子彭明敏是李登辉的莫逆之交,") *Outlook Weekly* (了望), September 4, 1995, pp.16-17.

³³⁶ . Ling Yunhe, "Li Denghui's Footprints on the Road of Taiwan Independence," (凌云鹤, "李登辉在台独之路上的足迹,") *Outlook Weekly* (了望), August 7, 1995, pp.9-10.

³³⁷ . Virginia Sheng, "Lee Says March 23 Victor Must Pursue a Peace Pact," *The Free China Journal*, March 1, 1996; Virginia Sheng, "Parties, Candidates Start Presidential Callisthenics," *The Free China Journal*, December 22, 1995; Virginia Sheng, "Presidential Rivals in TV Forum Present Platforms to the Public," *The Free China Journal*, March 1, 1996; Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, pp.283, 286.

³³⁸ . For example, Frank Hsieh, DPP vice presidential candidate and Yeh Chu-lan, the DPP presidential campaign's manager, called Lee "anti-democratic". See Virginia Sheng, "Lee Says March 23 Victor Must Pursue a Peace Pact," *The Free China Journal*, March 1, 1996.

³³⁹ . During the presidential campaign, Lee rejected the DPP's "call for a 'grand coalition' Cabinet". See Virginia Sheng, "Lee Says March 23 Victor Must Pursue a Peace Pact," *The Free China Journal*, March 1, 1996. Also see Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, pp.36-37.

overdue and thorough democratic reforms, especially opposing the KMT's abuse of power. The DPP advocated a clean election, crusading against illicit money in politics. It alleged corruption by the KMT, accusing the Nationalists of playing "black-and-gold politics". It also tended to be pro-environment and pro-labour. Many of its policies, such as reforms of the legislature, direct presidential elections and application for United Nations membership were eventually adopted by the KMT.³⁴⁰ Yet, the Nationalists had never converged with the Democratic Progressives on cross-strait policy. On the unification/independence issue, the two parties were opposed, and there were few possibilities for compromise and cooperation. During 1995 and 1996, it was obvious that there was no close political connection between Lee and the DPP. It appeared that both shared some ideological similarities on Taiwan's identity and Taiwan first because Lee was Taiwan-born and the DPP was comprised of native Taiwanese. However, he differed from the DPP on one key point: he did not call for a sovereign independent Republic of Taiwan. Indeed, Lee led the establishment of a national unification council and presided over the formulation of guidelines for national unification, but the DPP demanded dissolution of this council and abolition of these guidelines.³⁴¹ Although he had been criticised for sharing the pro-independence agenda and seeking to join forces with the DPP to promote Taiwan independence in the late 1990s and the early days of the 21st century, this was not the case in 1995-96.

The largest policy differences between the three parties were on the issue of national identity, independence or reunification. Meanwhile, the main trend in Taiwan politics was to move toward the centre because of the constituencies' political inclination to oppose extreme left and right deviations. The ruling Nationalists were right-leaning but were trying to close to centrist. Although the DPP was the left-wing party, it also appeared to be moving toward a more centre-left position. Meanwhile, the right-wing CNP was seeking to readjust its political orientations. All Taiwan's political parties were seeking to move toward the centre

³⁴⁰ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.152-153.

³⁴¹ . Yu Ke, "Will It Be Overcast Or Fine Over the Taiwan Strait After March?" (余柯, "三月过后是阴还是晴?") *The Perspective* (南北极), No.310, April 1996, pp.18-20; The Democratic Progressive Party, *The Policy White Paper: Planks* (民主进步党, 政策白皮书 <纲领篇>). Taipei: The Fine Words Printing Ltd. (优文印刷有限公司), 1993, pp.231-236.

in order to obtain a broader base of support.³⁴² With radicalism unwelcome, a dramatic change in the polity and national identity became unlikely.

3.3. Taipei's Pragmatic Diplomacy and Mainland Policy

Taipei's foreign policy and mainland policy complemented each other.³⁴³ Both stressed that "Taiwan and the mainland were both parts of China" and the Beijing regime "was not equivalent to China". Thereby, dialogue between the two sides of the Taiwan Strait should be undertaken on the basis of equality. Beijing had been endeavouring to block Taipei's international living space, in an attempt to degrade the ROC's status to that of a mere provincial government of the PRC. Taipei had to fight on two fronts. It maintained that both sides of the Straits should coexist as two legal entities in the international arena and that the ROC as a sovereign state had the right to develop its external relations. In breaking through Beijing's diplomatic embargo against the ROC, pragmatic diplomacy had proved of some effect and strengthened Taipei's hand in talks with Beijing.³⁴⁴ Meanwhile, a more flexible but non-capitulationist mainland policy showed Taipei's sincerity and determination to achieve unification and won international sympathy. It helped to counterattack Beijing's suppression of Taipei's diplomatic activities and frustrate Beijing's scheme to force Taipei to surrender. Taipei hoped that the combination of both foreign and mainland policy would compel Beijing to understand, and finally recognise, the political reality in Taiwan and of cross-strait relations. Thus, while conducting pragmatic diplomacy to raise its international status, the mainland policy aimed at strengthening Taipei's bargaining position in negotiating cross-strait issues with Beijing.

³⁴² . Cal Clark, "Taiwan in the 1990s: Moving Ahead or Back to the Future?" in William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, pp.210-215.

³⁴³ . Taipei declared that it always promoted a pragmatic foreign policy and mainland policy that did not conflict with each other. The ROC government would promote one policy, but not at the expense of the other. For more information about the relationship between foreign policy and mainland policy, see The Mainland Affairs Council, The Executive Yuan, Republic of China (行政院大陆委员会), *Relations Across The Taiwan Straits* (台海两岸关系说明书). Taipei: The Mainland Affairs Council (行政院大陆委员会), 1994; "Setting Priorities," *Free China Review*, Vol.46, No.3, March 1996, pp.30-33.

3.3-1. Pragmatic Diplomacy³⁴⁵

In the Chiang Ching-kuo era, the ROC government refused to maintain embassies in the capitals of those countries which recognised the PRC. It insisted all countries wishing to have diplomatic relations with the ROC sever those with the PRC. Nevertheless, the Lee Teng-hui administration changed this inflexible foreign policy and sought to retrieve its diplomatic integration by keeping semi-official or unofficial relations with nations which had established diplomatic relations with the PRC. With flexible measures to expand contacts with other countries, it tried to break through the international isolation.

Taipei's pragmatic diplomacy was shaped by domestic politics and the external environment. In examining the interactions between domestic politics and foreign relations, one can identify Taipei's primary concerns. Principally, Taipei aimed at achieving both foreign and mainland policy goals. It hoped to gain global approval for the democratisation of Taiwan and internationally legitimise its new polity, thereby helping to compel Beijing to understand, and finally, recognise the political reality in Taiwan.³⁴⁶ Taipei viewed expansion of its external relations as strengthening its bargaining chips with Beijing. In refuting Beijing's accusation, Taipei maintained that its pragmatic diplomacy did not infringe the 'One-China' principle.³⁴⁷

In broader dimensions, pragmatic diplomacy was focused on three goals. Diplomatically, Taipei struggled to break through the isolation that Beijing imposed. Politically, it sought to ensure the island's security. Economically, it hoped to further develop ties with foreign countries.

³⁴⁴ . Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*. London; New York: Routledge, 1997, p.55.

³⁴⁵ . For Taipei's policy of pragmatic diplomacy and official remarks upon its implementation and effects, see The Government Information Office, The Executive Yuan, Republic of China (行政院新闻局), *Quiet Revolution (宁静革命)*. Taipei: The Government Information Office (行政院新闻局), 1995, pp.245-320.

³⁴⁶ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.103-108.

³⁴⁷ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.27-30; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.168-169.

Firstly, Taipei intended to extricate itself from a difficult international position. The end of the Cold War changed the international system but Taiwan's foreign relations isolation remained. Beijing had had an advantage over Taipei in diplomacy. Because of the continued imposition of the diplomatic blockade by Beijing, Taipei had been in dire diplomatic straits. It had been excluded from the main international organisations, becoming increasingly isolated in the international arena. The major powers, and most medium-sized countries, diplomatically recognised Beijing rather than Taipei. Only about 30 small countries maintained their embassies in Taipei.³⁴⁸ Taiwan appeared to have become an international orphan, but its position could not be ignored. It strove to become a major actor in the international political system, particularly by seeking to play a role in regional security and stability. However, Taiwan remained unable to play a role in the official diplomatic network. This kind of non-membership of the world community made the island uneasy. Diplomatic difficulties even affected Taiwanese travellers, who had problems visiting most countries on an ROC passport. Sometimes the ROC passport holders received unreasonable treatment, even being insulted at the hands of customs officials, which stripped ROC nationals of identity and dignity.³⁴⁹ In order to change the unfavourable diplomatic situation and preserve its own vital interests, while seeking international respect and recognition for its citizens as individuals, Taiwan found it essential to adopt a system of diplomatic offensives.

The end of the Cold War and the fall of the Soviet Union had not improved Taiwan's sense of security. The biggest threat to Taiwan had been coming from the PRC rather than the Soviet Union. The collapse of the Soviet Union and the basic settlement of the PRC-Russian border disputes had led to *détente* between the PRC and Russia, and even the development of friendly relations. The Russian threat to the PRC had been significantly decreased and the PRC no longer needed to worry about threats on that front. As such, the PRC could make room for resolution of the Taiwan issue. Furthermore, the PRC national economy had made remarkable strides

³⁴⁸ . Taipei's diplomatic allies often changed because of the diplomatic war between Beijing and Taipei. Generally speaking, the number of Taipei's diplomatic allies had been kept at about 30 during the late-1980s and mid-1990s. See Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.116-117.

after carrying out the economic reforms, allowing the PRC to develop into an economic giant and a regional major military power. In particular, Beijing was still pursuing its military modernisation program and the PLA was enhancing its capacity to blockade or attack Taiwan. The military balance in the Taiwan Strait could tilt in mainland China's favour in the next decade. Although Beijing declared that it would pursue a peaceful reunification policy, it refused repeatedly to renounce the use of force against Taiwan. Thus the thaw of the post-Cold War with an improvement of the security environment for the majority of countries in the world, had not brought an end to the major security concerns of Taiwan.³⁵⁰

As the Clinton administration's military drawdown in East Asia and its commitment to Taiwan's defence became more ambiguous, Taipei was uncertain if America's credibility in the region remained linked to the island's security. In the course of pragmatic diplomacy, Taipei therefore wished to gain a guarantee of its security from Washington. While relying on its own defensive strength and striving to strengthen military ties with the United States, Taipei also sought to cope with Beijing's military threats through the regional collective security system.³⁵¹ It advocated the establishment of a multilateral security framework to make its contribution to the balance of power, peace and stability in the region, and to benefit from it.³⁵²

³⁴⁹ . For the difficulties that Taiwanese encountered in travelling abroad before the development of pragmatic diplomacy, see "Tourism: Current Passport Is OK," ("旅行业：现行护照好用，") *TTNN* (华讯每日新闻), January 14, 2002.

³⁵⁰ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.8-13, 153-169.

³⁵¹ . President Lee Teng-hui proposed the establishment of collective security system in the Asia-Pacific region. See The Government Information Office, The Executive Yuan, Republic of China (行政院新闻局), *Quiet Revolution* (宁静革命). Taipei: The Government Information Office (行政院新闻局), 1995, p.228.

³⁵² . A number of scholars stress that one of the goals of Taipei's pragmatic diplomacy was to seek security for the island. See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.30; John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, pp.151-156; Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.174-176, 123-126; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.154-155; Peter Ferdinand (ed.), *Take-off for Taiwan?* London: Royal Institute of International Affairs; Pinter, 1996, pp.116-117.

In economic terms, Taiwan faced the challenge of expanding its market abroad and advancing the domestic economy.³⁵³ As a world-class economic power, one of the major sources of investment, trade, technological innovation and transfer, Taiwan was connected to countless interests all over the world. As such, it needed to advance foreign economic relations and accelerate the island's integration into economic globalisation to maximise its advantages and sustain domestic economic growth. In particular, it planned to become a major Asia-Pacific Regional Operations Center.³⁵⁴ However, because of its exclusion from the world's economic and financial bodies, Taipei found it extremely difficult to participate in consultations, negotiations and decision-making on international economic affairs. Meanwhile, it had encountered tremendous obstacles in protecting and supporting Taiwanese businessmen abroad due to the lack of diplomatic relations or close ties with most nations.

Under such circumstances, Taipei reshaped its foreign policy positively, conducting pragmatic diplomacy.³⁵⁵ It spared no efforts to break the diplomatic isolation Beijing had sought to impose on Taiwan. Because Taiwan was denied membership in institutions highly symbolic of sovereignty, most notably the United Nations, its quest for international recognition focused on eventually joining the UN, in an attempt to break through an encirclement for admission into other international bodies. Taipei had manoeuvred for participation in the UN since 1993. Through its diplomatic allies, it presented its petition for a seat in the UN every year despite being frustrated by Beijing. It even offered a US\$ 1 billion donation to the UN if it was admitted.

³⁵³ . Hung-mao Tien, "Taiwan in 1995: Electoral Politics and Cross-Strait Relations," *Asian Survey*, Vol. XXXVI, No.1, January 1996, p.35; Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, pp.126-127.

³⁵⁴ . Keith Maguire, *The Rise of Modern Taiwan*. Aldershot, Hampshire, England; Brookfield, Vermont, USA: Ashgate, 1998, pp.71-77.

³⁵⁵ . For Taipei's achievements and limitations in carrying out pragmatic diplomacy, see David W. Chang and Hung-chao Tai, "The Informal Diplomacy of the Republic of China, with a Case Study of ROC' Relations with Singapore," *American Journal of Chinese Studies*, Vol.III, No.2, October 1996, pp.148-176; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.27-34; Keith Maguire, *The Rise of Modern Taiwan*. Aldershot, Hampshire, England; Brookfield, Vermont, USA: Ashgate, 1998, pp.170-198; Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*. London; New York: Routledge, 1997, pp.129-142.

While trying to restore or retain official or semi-official ties with countries that recognised the PRC, Taipei sought to develop a means for the establishment of diplomatic relations with more countries by expending large amounts of money. Its position of economic strength gave Taiwan a leverage in fighting a diplomatic war with Beijing. Taipei did its best to flex this muscle in consolidating relations with its foreign allies and seeking new diplomatic partners, despite being accused of conducting dollar diplomacy by Beijing.³⁵⁶ In the diplomatic battle of the wallet, Beijing also bought the support of many countries in its counterattack against Taipei. Meanwhile, Beijing used its vast market potential to pull the carpet out from under Taipei's feet. A number of smaller nations frequently switched their allegiance between Beijing and Taipei for generous financial aid. In such diplomatic warfare Taiwan ultimately struggled, its limitations on developing foreign relations, still evident.

3.3-2. The Issue of Lee Teng-hui's US Visit

The background for Lee Teng-hui's trip to America was very complicated. It involved both the ROC government's diplomatic consideration and Lee's personal political intentions. American public relations companies and US politics also played a part. However, Lee's US visit came out primarily as a result of his personal lobbying effort, which tainted the visit by virtue of his utilisation of 'money politics'.

The top leaders' trip abroad had also been a focus of the ROC government's pragmatic diplomacy. Concerned that its bid for a seat in the United Nations had been unsuccessful and that the scope of its diplomatic relations was not widening, it intensified head-of-state diplomacy, expecting to make progress in upgrading the ROC's international profile. The ROC leaders' visits to foreign countries aimed at promoting quasi-official ties with nations without diplomatic relations to the ROC, while also solidifying its foreign allies. During the 1994 New Year and Chinese Spring Festival, Lee and Premier Lien Chan vacationed in five Southeast Asian countries. In April 1995, Lee took his "vacations" in the United Arab Emirates and

³⁵⁶. Wang Sheng, "What Is Li Denghui's Intention to Do Pragmatic Diplomacy Vigorously," (王升, "李登辉大搞务实外交意欲何为,") *Outlook Weekly* (了望), June 26, 1995, pp.41-42.

Jordan. In 1993-1995, Lien visited Malaysia, Singapore, Mexico and the Czech Republic.³⁵⁷ This vacation diplomacy developed substantive ties with a number of countries without diplomatic relations with the ROC, but, it was unlikely to result in an exchange of ambassadors or the establishment of embassies. Furthermore, these nations were small and medium-sized and did not play a major role in international politics. ROC leaders, in particular Lee, famous for his pro-Japanese sentiment, made an attempt to visit Japan on some pretext or other. When he was not given a visa to enter Japan, the focus of leadership diplomacy was shifted to the US, despite the apparent difficulty of the undertaking. More important, the American connection was vital to an island so orphaned internationally. Thus ROC leaders were determined to cultivate US ties and set foot on American soil.

Although Lee enjoyed a 'Mr. Democracy' label, he rose through the ROC political hierarchy in an authoritarian manner. His presidency was conferred by Chiang Ching-kuo and his second presidency was elected indirectly involving a mere formality of voting. Meanwhile, faced with strong opposition both within and outside his party, the consolidation of power remained his priority. In order to resolve the legitimate problems and keep a grip on power, he wished to become the first president of the ROC by means of democracy. Furthermore, he wanted to leave a legacy as a champion of democracy, bolstering his own position in the island's history. Thus he endorsed the holding of a direct presidential election. Yet, he was uncertain whether he could win in the first direct presidential election in March 1996, despite anticipating the vote of native Taiwanese. Under such circumstances, his efforts to enhance the island's status in the international community would appeal to the constituency, strengthening his hand at home. In particular, his leadership diplomacy could develop the image of an international leader, an important element in making his personal political landmark while establishing his legacy. A trip to the US would make him the first ROC president to set foot on America's soil and present him on the world stage. James Mann considers that Lee's planned America trip was

³⁵⁷ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.75; David W. Chang and Hung-chao Tai, "The Informal Diplomacy of the Republic of China, with a Case Study of ROC' Relations with Singapore," *American Journal of Chinese Studies*, Vol.III, No.2, October 1996, pp.157-158.

“in order to be sure of winning” in the presidential election.³⁵⁸ A leading Chinese expert on Taiwan, Li Jiaquan, holds the same view as Mann. Li believes that Lee wished, by his US visit, to meet “challenges from both within and outside his party” and gain “the backing of the US government to seek ‘breakthroughs’ in foreign relations and thus increase his political clout” in order to win the presidential election.³⁵⁹ Therefore, Lee’s calculation for the American trip was primarily politically motivated. He wanted to ensure his own “democratic” victory.

Lee tried to travel to the US under the pretext of a stopover but failed. In May 1994, he passed through Honolulu on his way to Central America and South Africa. He sought to spend the night to meet local Chinese community, speak at the East-West Center and play golf, but was not permitted by the State Department. He was informed that the State Department would not issue him a visa for his entry into the city. Even Lee’s special plane was initially refused refuelling in Honolulu. Although the State Department allowed a refuelling stop afterwards, Lee’s scope of activities was limited to the airport lounge. This was a manifestation of the Clinton administration’s unfavourable stand on the issue of Lee’s US visit. Lee had to stay on board and complained to the international press that he had received humiliating treatment. This prompted him to plan future American journey, in an attempt to find a sound pretext and manage to nullify the State Department prohibition.³⁶⁰

The key to removing a ban on Lee’s US visit was to employ money power. Lee, who had been blamed of conducting “black-and-gold politics” at home, showed the tremendous force of his money diplomacy. The KMT, with its affluence born of both legitimate and questionable origins, owned a colossal business empire which operated a wide range of lucrative enterprises. This made it one of the richest political parties in the world, having assets estimated at US\$ 3 billion. Lee controlled the party’s finance and assigned his henchman, Liu Tai-ying to manage the party’s business empire and political funds. Only Liu had such responsibility.

³⁵⁸ . James Mann, *About Face: A History of America’s Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.315-317.

³⁵⁹ . Li is usually seen as an authority in research on the PRC policy toward Taiwan. His point of view reflects Beijing’s position. He performs an interesting and important analysis which suggests that Lee’s US visit was to attain his personal political aims to be re-elected. See Li Jiaquan, “Lee’s US visit Defies Agreement,” *Beijing Review*, June 26-July 2, 1995, p.19.

Other party leaders, for example, KMT vice chairman Hau Pei-tsun, were excluded from the party's business and financial affairs. Liu's official title was "Chairman of Business Affairs Committee" of the KMT. In particular, Liu assigned funds to boost Lee's support internationally for the coming presidential election.

Liu established the Taiwan Research Institute, headed by himself. Outwardly, it was a private think tank for academic purposes. But, in fact, it acknowledged that it was financially supported by the government. Its basic functions were to help Lee develop ties with major powers' politicians. In particular, it regarded realisation of Lee's American journey as its chief goal. In mid-1994, Liu hired Washington lobbyists Cassidy and Associates and signed a US\$ 4.5 million contract over three years for them to lobby on Taiwan's behalf. The contract aimed at lobbying for Lee's US visit.³⁶¹ US\$ 4.5 million was paid half by Liu's KMT-owned companies. The other half came from Lee's secret political funds. The National Security Bureau under Lee's administration set up a secret account. Although the fund financed the island's money diplomacy, it largely supported Lee's personal political activities involving special diplomatic missions.³⁶²

Liu and the Cassidy firm lobbied hard under various pretexts in order to obtain a US visa for Lee, but were initially unsuccessful. When they were almost in despair, they found a possible gap that could secure Lee a visa. Both Liu and Lee attended Cornell University in the late 1960s. Liu conceived an idea to let Cornell University play host to Lee, who could be extended an invitation to participate in an alumni reunion event. Seemingly, this was a ground that could not be rejected. In order to smooth the way for Lee's US trip, in name, a Taiwanese group called "Friends of Lee Teng-hui" made an US\$ 2.5 million contribution to Cornell University for the establishment of a professorship in world affairs. Actually, this bill was paid by

³⁶⁰ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, p.414; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.315-321.

³⁶¹ . Jock Friedly, "Cassidy's Taiwan Lobbying Spurred Beijing Action," *The Hill*, May 21, 1997 p.1.

³⁶² . According to reports by *Next Magazine* (壹周刊) in March 2002, Lee was alleged to have authorised the National Security Bureau to set up an illegal slush fund worth NT\$3.5 billion (US\$100 million) since 1994. A part of the fund was used to lobby influential politicians and parliamentarians to seek political support in Washington for Lee to make a visit to Cornell University in June 1995. See Wang Baida, "Taiwan Probes Into the Scandal of Spy Fund But Lee Teng-hui Is Not Investigated," (汪百达, "台情报弊案调查, 独漏李登辉") *The International Chinese Weekly* (亚洲周刊), March 17, 2002.

Liu's KMT-owned companies. In return, Cornell University promised to secure Lee a visa to visit his alma mater. However, the Clinton administration refused approval for months. In early 1995, Liu and the Cassidy firm shifted their lobbying target from the White House to Capitol Hill. The lobbyists intensified their campaign to persuade Congress to allow Lee to travel to the US. Finally, after Congress voted to approve a visa, the Clinton Administration was forced to agree to a private visit to the US, but did not permit him to conduct political activities during his trip.³⁶³

Lee's US visit was labelled a private trip to attend a class reunion at his alma mater while receiving an honorary doctorate from Cornell University. Underlining the personal nature of the trip, ROC Foreign Minister Fredrick Chien did not accompany Lee although he did have an entourage of several senior officials.³⁶⁴ Under the conditions of the State Department, Lee had to give an undertaking that during his visit to the US he would not engage in political activities. Generally speaking, he tried to adopt a low profile during his visit.³⁶⁵ He even cancelled a formal press conference scheduled on the campus, an important item on the visiting arrangements, supposedly because of the pressure of the State Department.³⁶⁶ In his speech delivered at Cornell University, he highlighted the ROC's democratic achievements and sovereign status. He pledged to commit himself to promoting democratic reform in Taiwan and continuing pragmatic diplomacy.³⁶⁷ Although he appeared not to provoke Beijing, some PRC leaders, in particular senior military officers, viewed the speech as a provocative move to push Taiwan toward independence.³⁶⁸ Actually, their opposition was to the trip itself, on the ground of

³⁶³ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.320-322; Michael Weisskopf and Keith B. Richburg, "Taiwan, in Courting U.S. Officials, Reflects Yearning for Recognition," *The Washington Post*, November 12 1996.

³⁶⁴ . Christie Su, "In Historic Trip, Lee Arrives in US for Talk at Cornell," *The Free China Journal*, June 9, 1995.

³⁶⁵ . According to ROC Foreign Minister Jason Hu, "Lee's visit was private and low-profile", Lee "met with no federal officials during his visit, while his meetings with governors and city mayors were made in a private capacity". See Lin Wen-fen, "ROC President's 1995 US Visit Not Intended to Cause Conflict: FM," *CNA*, June 22, 1998.

³⁶⁶ . Nigel Holloway, "Low Profile," *The Far Eastern Economic Review*, June 22, 1995, p.15.

³⁶⁷ . "Text of Lee's Cornell Address," *The Free China Journal*, June 16, 1995.

³⁶⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.251-252. According to Sheng Lijun, initially Beijing made a moderate response to Lee's US visit, with "only a routine protest to Taiwan". However, it was Lee's Cornell address that provoked Beijing to anger, responding "with sharp criticism" and moving to "punish"

which they criticised Jiang Zemin for his soft line on Taiwan, despite the speech also giving rise to controversy in Taiwan and the US.

Lee's trip to America was very controversial. His political enemies attacked the huge cost of lobbying as an example of how Lee used the KMT's financial resources and influence for his own ends.³⁶⁹ When tensions arose in the Taiwan Strait, they accused Lee's leadership diplomacy, especially his US visit, of causing the trouble.³⁷⁰ In particular, Lee's politically-motivated US trip was violently attacked by other candidates during the presidential election.³⁷¹ In the meantime, it seemed that Lee scored a diplomatic triumph, but his meddling in US politics affected US-Taiwan relations. Although he was successful in lobbying Congress, he offended officials of the National Security Council and the State Department. As a result of being pressured by Congress, they were displeased at Lee's aggressive lobbying.³⁷² Consequently, when the PRC conducted the first round of missile tests near Taiwan waters, the Clinton administration did not lodge a protest with the Jiang administration. Some American officials thought that the US "should 'let Lee take his licks for buying Congress' on the visa vote".³⁷³

Lee's US visit should be regarded as mere electoral manoeuvring combined with money politics. Beijing's view of the visit as a move to pursue Taiwan independence appeared to be exaggerated. His acts threw additional light on his intentions. These revealed that his real intention was to use Cornell University as a forum for his presidential election campaign, just as Jiang Zemin sought a US visit for leadership consolidation when he came into office.³⁷⁴ An alleged exporter of corruption abroad, he significantly invested in US politics and earned profit of political capital at home. In any case, it did not signify a major change in the US government's China policy.

Taiwan". See Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.26-27.

³⁶⁹ . Michael Weisskopf and Keith B. Richburg, "Taiwan, in Courting U.S. Officials, Reflects Yearning for Recognition," *The Washington Post*, November 12, 1996.

³⁷⁰ . Hung-mao Tien, "Taiwan in 1995: Electoral Politics and Cross-Strait Relations," *Asian Survey*, Vol. XXXVI, No.1, January 1996, p.36.

³⁷¹ . For criticism of Lee's US visit by two independent candidates, Lin Yang-kang Chen Li-an during the presidential election, see Chapter 3.4-2. The Presidential Election and Candidates' Positions on Unification/Independence.

³⁷² . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.7-8.

³⁷³ . Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998.

Beijing knew full well that Lee's US visit resulted from Taipei's chequebook public relations and the employment of American lobbyists.³⁷⁵ The PRC government's Taiwan Affairs Office accused Lee of spending a lot of money in paving the way for his US visit and official media attacked Taipei for having set up the visit through bribery.³⁷⁶ More contestable, Beijing knew clearly that the major reason for the visit was more the campaign for Lee's re-election than a statement seeking to widen the ROC international living space.³⁷⁷ Presumably this explains Beijing's initially modest response to Lee's US visit. However, Beijing suddenly shifted to belligerence shortly after.

3.3-3. Mainland Policy

While reshaping foreign policy, the Lee Teng-hui administration established new institutions for national unification and readjusted its mainland policy.

There were few institutional establishments for unifying Taiwan with the mainland in the Chiang Ching-kuo era despite the consistent and firm pursuit of Chinese unification. By comparison the Lee administration approached the unification issue in a more structured, institutionalised manner.³⁷⁸ In the opinion of

³⁷⁴ . See Chapter 6.2-1. Jiang Zemin's Attempt to Consolidate His Leadership.

³⁷⁵ . Beijing had employed "influence peddlers" since 1985. However, "from September 1993 to March 1995, Taiwan organisations gave 25 times more money than China did to U.S. lobbyists". See "The Lobby Factor—Taipei Spends Big to Win Friends and Influence People," *Asiaweek*, June 23, 1995, p.29. Liu's successful lobbying for the granting of a visa to Lee demonstrated that Beijing's lobbying activities in American politics were very weak and ineffective. Jiang Zemin admitted this. See "The Problem Is Political Will"—Jiang Zemin on Bill Clinton, Taiwan, His Leadership and Deng Xiaoping," *U.S. News & World Report*, October 23, 1995, p.72. "A few months later", Beijing set up a special body to "match Taiwan's influence in Washington". It financed projects to lobby the US government to improve ties with the PRC. In particular, it appropriated US\$ 2.5 million to "influence members of Congress". See Jock Friedly, "Cassidy's Taiwan Lobbying Spurred Beijing Action," *The Hill*, May 21, 1997 p.1.

³⁷⁶ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, p.190. According to an estimation of the bribery by Wang Sheng, a researcher with the Institute of Taiwan Studies under the Chinese Academy of Social Sciences, Taipei spent US\$ 10 million in lobbying for Lee's US visit. See Wang Sheng, "What Is Li Denghui's Intention to Do Pragmatic Diplomacy Vigorously," (王升, "李登辉大搞务实外交意欲何为,") *Outlook Weekly (了望)*, June 26, 1995, p.41.

³⁷⁷ . Li Jiaquan, "Lee's US visit Defies Agreement," *Beijing Review*, June 26-July 2, 1995, p.19.

³⁷⁸ . For the organisational structure of the ROC government for formulating unification policy and administering cross-strait affairs and the functions of various bodies, see The Government Information Office, The Executive Yuan, Republic of China (行政院新闻局), *Quiet Revolution*

some scholars such as John F. Copper, Lee made more efforts developing better cross-strait ties than previous Taiwan leaders.³⁷⁹ In 1990, the National Unification Council was founded. It was the highest organ to make unification policy and the ROC President assumed its chairmanship. It held an annual meeting bringing together public figures from various circles to discuss issues in promoting the unification process, present proposals and make announcements to the public. Its establishment manifested the Lee administration's commitment to China's unification while preventing Taiwan from declaring independence.³⁸⁰ In January 1991, the Mainland Affairs Council (MAC) was set up. It was a Cabinet-level body that guided cross-strait relations. It was responsible for mapping out and implementing mainland policy and charged with coordinating government agencies dealing with the mainland. A month later, the Straits Exchange Foundation (SEF) was formed, which worked under the MAC. SEF conducted direct negotiations with its mainland counterpart, the Association for Relations Across the Taiwan Straits (ARATS). The two semi-official bodies cooperated to handle cross-strait affairs and exchanged opinions. The establishment of the ROC governmental organisations in charge of formulating and carrying out unification policy facilitated Taiwan's relations with the mainland and helped forge cross-strait rapprochement. This appeared to create some conditions for reunion between the two sides of the Taiwan Strait, albeit in the remote future.

During the leadership of Chiang Kai-shek and Chiang Ching-kuo, a state of China civil war had been maintained. The two Chiangs stuck to the idea that the recovery of the Chinese mainland would be achieved militarily and viewed Taiwan as a temporary base where armed forces could regroup for a counterattack on the communists. However, the cessation of military conflict in the Taiwan Strait in the late 1970s and the remarkable progress in personnel, economic and other exchanges across the Straits since the late 1980s, significantly changed the cross-strait situation. As such, Taipei's mainland policy required reformulation. In early 1991, the

(宁静革命). Taipei: The Government Information Office (行政院新闻局), 1995, pp.205-207; Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification*. Hong Kong; New York: Oxford University Press, 1994, pp.114-116.

³⁷⁹ . John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, p.46.

Guidelines for National Unification were promulgated. In May, Lee announced the end of the Period of National Mobilisation for Suppression of the Communist Rebellion, technically ending four decades of the Chinese civil war. These documents and measures equated to an ROC abandonment of old view of the “communist bandits”. It maintained that cross-strait disputes should be resolved through negotiation on an equal footing rather than by resort to force. In particular, Taipei rejected the use force in the process of national unification. This demonstrated that the Lee administration was ready to cultivate a peaceful cross-strait atmosphere to create favourable conditions for unification in the future. It also illustrated their desire for Beijing to reciprocate this goodwill and their desire for reconciliation, so that the unification process could be promoted. However, Beijing has maintained its threat of military force against Taiwan, as a possible means of unification.³⁸¹ In his Six Points response to Jiang’s Eight-Points, Lee again called both sides to renounce the use of force in unification.³⁸²

Politically, the Lee administration posed less threat to the Chinese Communist government than had the two Chiangs’ regimes. These two former presidents were resolved to recapture the rulership of China, devoting themselves to subversion of the political power of Beijing. Lee was less aggressive than the two Chiangs, and did not seek to overthrow the Communist regime. Unlike the two Chiangs, Lee, as the first Taiwan-born president, had little interest in playing an active role in promoting political change on the mainland. Lee called for mainland China’s democratisation while expressing the belief that the achievements of political reform and democracy in Taiwan should be of encouragement to 1.3 billion Chinese people. Yet, he took few actions to support democratic movements on the mainland. Under such circumstances, a democratising Taiwan concerned Beijing, but did not overly upset it because of the passive approach undertaken by Taipei. The March 1996 presidential election in Taiwan, the first-ever direct election of state leaders in Chinese history, had an impact upon the Communist one-party dictatorship but Beijing had managed

³⁸⁰ . Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification*. Hong Kong; New York: Oxford University Press, 1994, p.116.

³⁸¹ . The Government Information Office, The Executive Yuan, Republic of China (行政院新聞局), *Quiet Revolution (寧靜革命)*. Taipei: The Government Information Office (行政院新聞局), 1995, pp.197-213; Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification*. Hong Kong; New York: Oxford University Press, 1994, pp.124-125.

to restrict it. As the PRC leadership had quickened the pace of seeking to resolve the Taiwan issue since the 1980s, Taipei had been in a defensive position.³⁸³ Although Taipei sought eventual unification, its mainland policy focused on thwarting Beijing's united front strategy, which, in the eyes of Nationalists, symptomatic of traditional communist wiles. Taipei strove to prevent the ROC being annexed by the Chinese Communist regime with its economic means, political tactics and the utilisation of military threat.³⁸⁴

The Lee administration had taken a pragmatic stance on relations with the mainland in relocating the political status of the ROC government and its administrative jurisdiction.³⁸⁵ Lee's mainland policy acknowledged political reality in its flexibility. The two Chiangs never accepted the communist government in Beijing as the legitimate ruler of the Chinese nation, claiming the ROC to be the sole legitimate government of all of China in exile. Lee favoured the idea of "one China, two governments", born out of their political and geographical separation. Without tackling the problem of legal status, on paper, the ROC government retained its claim to sovereign rights over mainland China while accepting the reality that China was divided and each side could represent only the area under its own jurisdiction. The Guidelines for National Unification defined the cross-strait relationship as one of "one China, two equal political entities". In view of both "political entities with *de facto* authority", the Lee administration acknowledged that the jurisdiction of the ROC did not include the mainland proper and its ruling sphere was only Taiwan and the surrounding islands. It did not dispute the fact that the PRC controlled mainland China. However, its description of China as a divided nation with two separate

³⁸² . "Steps to Normalize Bilateral Relations," *Free China Review*, Vol.45, No.7, July 1996, pp.43-47.

³⁸³ . Even Wang Zaixi (王在希), then a senior fellow at the China Institute for International Strategic Studies, currently a deputy director of the Taiwan Affairs Office who has the rank of major general, held such a view. In criticising Taipei for refusal to hold talks on peaceful reunification, Wang said that Lee was not enterprising but wanted to muddle along his tiny independent kingdom on Taiwan. See Staff Reporter, "Scholars on the Taiwan Studies Refute a Fallacy of Taiwan Independence," (本刊记者, "台湾问题研究学者驳'台独'谬论,") *Outlook Weekly* (了望), September 11, 1995, p.14.

³⁸⁴ . Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification*. Hong Kong; New York: Oxford University Press, 1994, pp.97-115.

³⁸⁵ . For the ROC government's conception of cross-strait relations and policy on the issue of national unification, see The Mainland Affairs Council, The Executive Yuan, Republic of China (行政院大陆委员会), *Relations Across The Taiwan Straits* (台海两岸关系说明书). Taipei: The Mainland Affairs Council (行政院大陆委员会), 1994; "Guidelines for National Unification,

governments was rejected by Beijing. Taipei called on Beijing to recognise the existence of the ROC on Taiwan, maintaining only mutual respect would lay the way to a mutually beneficial improvement in relations and, ultimately, to unification.

Chiang Kai-shek and Chiang Ching-kuo had sought to unify China according to the Three People's Principles, nationalism, democracy and the people's welfare. Lee's unification policy carried on these three principles and made them more specific in practice. It opposed Taiwan independence and adhered to the "one China" policy.³⁸⁶ The Guidelines for National Unification were the basis of the Lee administration's cross-strait policy. They stipulated peaceful and democratic unification of China, but viewed unification as a long-term goal, which should be achieved gradually in three phases. This indicated that only when Beijing shed its communist mantle and embraced freedom and democracy, could Taiwan unify with the mainland. However, Beijing insisted on the opposite, providing a formula of "one country, two systems". The mainland would stick to the communist system while Taiwan would retain its capitalist system. However, Taipei raised doubts and difficult questions about the validity and workability of the formula. It viewed it as a united front scheme aimed at making the ROC "surrender completely" to Beijing. Thus, Taipei rejected the Beijing-proposed unification terms while reiterating its refusal to accept mainland China's communist rule in any form. The domestic political situation in the Chinese mainland further affected Taiwanese views on unification. For example, the 1989 Tiananmen Square massacre shocked Taiwanese and impacted upon their attitude to unification. Also, the international trends toward the victory of democracy and the failure of communism further limited communism's appeal to Taiwanese. Moreover, it was Taiwan's preference that the economic gap between the two sides of the Straits should be bridged before unification. Should Beijing raise the living standards of the Chinese people near to those of Taiwan, conditions would be ripe for unification.

adopted by the National Unification Council on February 23, 1991, and by the Executive Yuan Council on March 14, 1991," *Free China Review*, Vol.41, No.9, September 1991, p.44.

³⁸⁶ . The Lee administration declared that "the ROC government is firm in its advocacy of 'one China', and it is opposed to 'two Chinas' or 'one China, one Taiwan' ", but it had its own version of 'one China'. See The Mainland Affairs Council, The Executive Yuan, Republic of China (行政院大陆委员会), *Relations Across The Taiwan Straits* (台海两岸关系说明书). Taipei: The Mainland Affairs Council (行政院大陆委员会), 1994.

The Lee administration, therefore, refused to embrace immediate unification but adopted a positive attitude toward the development of cross-strait economic relations and took moves to encourage bilateral commercial exchanges.³⁸⁷ It had allowed indirect business ties with mainland China since the late 1980s. Indirect trade was encouraged and Taiwan had a huge surplus. Investment in the mainland was also allowed. As businessmen flocked to the opposite side of the Straits to invest, thousands of Taiwanese businesses were established on the mainland. Meanwhile, Taipei took precautionary measures to avoid overheated investment that could lead to the island's economic dependency on mainland China, but did not curb mainland-bound investments. As a preventive measure, Taipei advocated the southward (go to Southeast Asia) investment policy so as to divert investment to some other areas.³⁸⁸ Taipei believed that national security considerations should come before all-round economic integration with the Chinese mainland. Thus, it refused the immediate establishment of three direct links, trade, mail and transport services across the Straits, before ending the state of hostility.³⁸⁹ However, it was prepared to enter discussions with Beijing regarding the opening of the three direct links between the island and the mainland, while also making preparations for the gradual development of direct shipping across the Straits.³⁹⁰ During the late 1980s and the mid-1990s, although cross-strait political relations were frosty, trade and investment ties had

³⁸⁷ . For the Lee administration's adoption of a policy of encouraging closer cross-strait economic ties in the early 1990s, see Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*. London; New York: Routledge, 1997, pp.111-113. In his Six Points that made his formal response to Jiang's Eight-Points, Lee expressed his willingness to "enhance trade and economic relations to develop a mutually beneficial and complementary relationship". He even declared that "Taiwan should make the mainland its economic hinterland" and that Taipei was ready to offer its experience and technology to help the mainland develop the economy. See "Steps to Normalize Bilateral Relations," *Free China Review*, Vol.45, No.7, March 1996, p.45.

³⁸⁸ . It was after the 1995-96 Taiwan Strait crisis, during which Beijing militarily intimidated Taiwan with a series of missile tests, that the Lee administration re-evaluated mainland policy and imposed restrictions on Taiwanese investment in the mainland as part of his "no haste, be patient" policy. See Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.55-58.

³⁸⁹ . For Taipei's security considerations in developing cross-strait economic relations, see The Mainland Affairs Council, The Executive Yuan, Republic of China (行政院大陆委员会), *Relations Across The Taiwan Straits (台海两岸关系说明书)*. Taipei: The Mainland Affairs Council (行政院大陆委员会), 1994; J.D. Kenneth Boutin, "Cross-Strait Trade and Investment: Economic and Security Implications for the Republic of China," *Issues & Studies*, Vol.33, No.12, December 1997, pp.70-93.

³⁹⁰ . "Steps to Normalize Bilateral Relations," *Free China Review*, Vol.45, No.7, March 1996, pp.45-46; Chu-cheng Ming, "Political Interactions Across the Taiwan Strait," in Maurice Brosseau, Suzanne

become increasingly close and a deeper and wider market integration had been expected. Taipei played its part in promoting cross-strait economic relations despite its insistence on gradual, steady expansion of cross-strait exchanges.

In the early 1990s, while not opposed to discussions on political issues, Taipei was more active in promoting business and other non-political ties between the two sides than Beijing. The Straits Exchange Foundation (SEF) had been formed in February 1991. However, after ten tentative months and two visits by SEF Vice Chairman Chen Charng-ven, Beijing set up the Association for Relations Across the Taiwan Straits (ARATS) as a reciprocal mainland body. The SEF and ARATS conducted quasi-official contacts and sought cooperation to handle cross-strait affairs while discussing relevant bilateral issues. From April 1991 to May 1995, the two semi-official bodies exchanged visits and held talks. They reached a number of agreements on routine affairs, in particular urgent matters such as illegal immigration, airline hijackings and fishing disputes. More significant, in Singapore in April 1993, the two chairmen of ARATS and SEF, Wang Daohan and Koo Chen-fu, held an ice-breaking meeting, ending forty-four years without contact in the wake of the 1949 civil war. Through three-days of talks, they signed four agreements on technical issues such as the authentication of documents and handling of mail, providing a basis for future talks and systematic interaction between the island and the mainland. In accordance with Koo's proposal, in May 1995 the SEF and the ARATS began preparing for the Second Koo-Wang Talks, which were originally planned to take place in Beijing in July. However, in mid-June Beijing abruptly shifted its responses to Lee Teng-hui's US visit from moderation to belligerence, unilaterally suspending the scheduled talks.³⁹¹

Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.190.

³⁹¹ . For detailed information about the negotiations between the SEF and ARATS, the Koo-Wang talks and their processes and results as well as both respective positions on cross-strait issues, see The Government Information Office, The Executive Yuan, Republic of China (行政院新闻局), *Quiet Revolution (宁静革命)*. Taipei: The Government Information Office (行政院新闻局), 1995, pp.201-229; The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室 / 国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.155-165; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.31-35; Chu-cheng Ming, "Political Interactions Across the Taiwan Strait," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.189-192.

There were two focal points in meetings between the SEF and the ARATS. One was their different views on the negotiation's priorities. The SEF insisted on placing emphasis on discussions of normalisation of cross-strait relations and problems arising from cross-strait exchanges. They believed that when the negotiations on technical issues produced results, conditions for future political talks would arise. Thus, they proposed technical issues such as expanded private cross-strait exchanges should be a priority. However, ARATS gave the top priority to discuss how to end separation, maintaining the need to enter into direct and immediate political negotiation on reunification first. They insisted on dropping the technical talks in favour of opening a political negotiation. The SEF was not opposed to conducting political talks, but asked Beijing to recognise Taipei as an equal political entity first and hold reunification negotiations on a government-to-government basis. In view of the impossibility of settling long-standing political disputes in the foreseeable future, it seemed that Taipei's claims were reasonable and practical. Indeed, the two sides needed to concentrate on consultations for the resolution of technical issues at this stage and deal with the reunification issue in the future. However, Beijing was reluctant to accept Taipei's propositions and was eager to make progress on reunifying Taiwan.

The other focus was the concept of one China. In November 1992, a consensus on the one China issue was reached between the SEF and ARATS. Both sides agreed that there is only one China despite differences over its political definition. The consensus confirmed adherence to the 'One-China' principle, which sought to set aside the sovereignty dispute for the time being while allowing the two sides to maintain different claims on the meaning of 'One China'. It appeared to defuse the core dispute over the political relationship between the island and the mainland, and was conducive to promoting mutual understanding while allowing for the preservation of differences. Thus, it helped to facilitate cross-strait ties and the pursuit of common grounds for eventual reunification. However, the consensus was an informal, oral agreement. It did not arrange further consultation for a written version of their mutual acceptance of the 'One China' concept. These issues were left unresolved, bearing the seed of divergent understandings of the consensus that could cause the political friction over the substance of 'One China'. Since reaching

the consensus, Taipei and Beijing had different versions of exactly what consensus was reached and what 'One China' meant. It even gave rise to disputes over the existence of the consensus and the meaning of the term 'One China' within Beijing's political circles and among Taiwan's major political parties. In light of SEF Chairman Koo Chen-fu's statement, the SEF "reached a verbal consensus with" ARATS on "one China with each side being entitled to its respective interpretation."³⁹² According to Beijing's version, ARATS and the SEF "reached the common understanding" "that each of the two organisations should express verbally that "both sides of the Taiwan Straits adhere to the One-China Principle".³⁹³ As cross-strait disputes mount, interpretations of the consensus have become more controversial and complicated in recent years.

Taipei's behaviour in cross-strait tension during 1995 and 1996 demonstrated that its mainland policy was relatively rational. A confrontation between the mainland and the island was not Lee Teng-hui's true intention. He did not anticipate that his US visit would precipitate cross-straits tensions.³⁹⁴ After the visit incurred an unexpectedly intense reaction from Beijing, he took care to be less provocative. With a large-scale campaign, Beijing's official media launched persistent

³⁹² . "Full Text of Statement of SEF Chairman Koo Chen-fu," *CNA*, July 30, 1999. However, Beijing's documents showed what SEF officials actually said was that "while the two sides of the strait are together striving for national unification, although both sides uphold the one-China principle, each has a different understanding of the meaning of one China." See The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.159-160.

³⁹³ . In addition, Beijing's documents displayed ARATS officials as stating that "the two sides of the strait both uphold the one-China principle, and are striving for national unification. But working discussions between the two sides of the strait will not touch upon the political meaning of one China." See The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.159-160.

³⁹⁴ . See a brief analysis by Ralph N. Clough in his book, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.7. According to ROC Foreign Minister Jason Hu, Lee's US visit "was not intended to cause any conflict between the two sides of the Taiwan Strait". "Hu said that Taiwan had not expected the Beijing authorities to react in such a radical manner to Lee's visit, but he stressed that Taiwan had not intended to cause trouble. Instead, he claimed, it was Beijing that created cross-strait tension by suspending regular cross-strait talks and conducting controversial war games near Taiwan in the run-up to the presidential election." See Lin Wen-fen, "ROC President's 1995 US Visit Not Intended to Cause Conflict: FM," *CNA*, June 22, 1998.

threatening, verbal assaults, and even personal attacks against Lee.³⁹⁵ Yet, he did not respond in kind. On the contrary, he denied Beijing's allegations that his US visit was for the ultimate goal of Taiwan independence and urged Beijing to replace confrontation with negotiation.³⁹⁶ Furthermore, he offered an olive branch of sorts to Beijing, stating he remained committed to improving cross-strait relations for eventual unification.³⁹⁷ Although Lee had a habit of speaking frankly but indiscreetly, he sought to use more moderate language in criticising Beijing's military threat.³⁹⁸

When he finished his US visit and returned to Taipei, he reaffirmed his commitment to China's democratic unification despite reiterating "his demands for respect and dignity for Taiwan".³⁹⁹ Nevertheless, Beijing adopted a policy of belligerence toward Taiwan, from late July 1995, staging a series of threatening military exercises and missile test-firings off Taiwan's coastline. However, in September 1995, Lee declared that "the ROC government insists on adhering to the principles and stages established under the Guidelines of National Unification to pursue unification". MAC Chairman Vincent Siew reiterated the ROC government's "firm position against Taiwan independence" and accused Beijing of distortion.⁴⁰⁰ Siew and SEF Chairman Koo Chen-fu appealed to Beijing to resume the cross-strait

³⁹⁵ . "Media Reprove Lee's Splittism," *Beijing Review*, June 26-July 2, 1995, p.5; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, 102.

³⁹⁶ . Susan Yu, "Lee Seeks to Ease Straits Tension," *The Free China Journal*, July 28, 1995.

³⁹⁷ . Julian Baum, "Strait Gambit: China Awaits Reaction to Its Halting of Missile Tests," *The Far Eastern Economic Review*, August 10, 1995, pp.20-21.

³⁹⁸ . This thesis' author interviewed a Taiwanese businessman, Mr. Wang Wenjie (王文杰) in Christchurch on Lee's speaking style. Lee had a nickname: IBM, i.e., International Big Mouth. When he was in office, he often left the text of a speech prepared for him beforehand by his secretaries, instead speaking his own ideas. In the 1990s, a jingle was widely circulated among Taiwanese businesspeople in mainland China. It said that "we are afraid of nothing but are fearful that President Lee launches an explosive talk". This indicated that they worried that Lee's frank but indiscreet talks could have an impact upon cross-strait ties, affecting their business. When the 1994 Qiantao Lake incident happened, Lee emotionally burst out. He denounced mainland Chinese authorities as "bandits" for their handling of the incident. See Chapter 7.2-2. The Historical Background of Jiang Zemin's Taiwan Initiative.

³⁹⁹ . Julian Baum, "Domino Theory: Taipei Hopes Lee's US visit Sets a Precedent," *The Far Eastern Economic Review*, June 22, 1995, p.17.

⁴⁰⁰ . The Mainland Affairs Council, the Executive Yuan, Republic of China, "Major Events Across the Taiwan Straits (January 1912 to December 1999)," on the World Wide Web at <http://www.mac.gov.tw/english/chronology/scemap.htm>.

dialogues and reaffirmed Taipei's stance in pursuing a peaceful and unified China.⁴⁰¹ In an effort to ease cross-strait tension, Lee even "called for" the two sides "to resolve their differences by taking up the principles", of Jiang's Eight-Points and Lee's Six-points. He appealed that "the two sides must work pragmatically with new perspectives to promote harmony and a climate in favour of the reunification of China".⁴⁰² In his 1996 New Year message, Lee rearticulated these main points, emphasising that "China must be reunited".⁴⁰³ Despite on-going tension between the island and the mainland, he sought to mend fences with Beijing. Again, he offered to open talks with Jiang Zemin, no longer insisting on doing so on an international occasion. This was viewed as being more flexible than his previous stand on a cross-strait summit.⁴⁰⁴

Amid the PLA's three rounds of exercises from July 1995 to March 1996 in waters near Taiwan, Taipei declined to yield but exercised restraint. In fact, Lee did not order the defence departments to prepare for military operations to strike back at the PLA military manoeuvres or counterattack mainland China in the face of Beijing's military intimidation. On the contrary, he tried to avoid military conflict. He sought to react calmly and cautiously to Beijing's military threats, in particular, a series of sabre-rattling moves that Beijing took to intimidate Taiwan. Although he gave orders for an increase in military readiness, this was in preparation for any contingency. Taiwan's armed forces conducted several drills but they were aimed at strengthening military training to defend the island. Their actions mainly signalled high alert to monitor the PLA live-fire military exercises and preparation to resist the PLA possible attack. This restraint helped prevent the two sides of the Taiwan Strait from further military confrontation, reducing the risk of crisis escalation.⁴⁰⁵ During

⁴⁰¹ . Christie Su, "SEF Chairman Hopeful Despite Peking's Delay of Talks," *The Free China Journal*, June 23, 1995; Christie Su, "ROC Reasserts Policies on one-China, US Relations," *The Free China Journal*, July 21, 1995.

⁴⁰² . Susan Yu, "Lee Strives to Ease Straits Tension," *The Free China Journal*, September 8, 1995. For Jiang's Eight-Points and Lee's Six-points, see Chapter 7.2-3. Jiang Zemin's Eight-Point Proposal for Reunification with Taiwan and Reactions to It.

⁴⁰³ . Christie Su, "Leaders in Taiwan and Mainland See Hope for Improvement in Ties," *The Free China Journal*, January 6, 1996.

⁴⁰⁴ . Christie Su, "Report Resets Attention on ROC-Mainland Talk," *The Free China Journal*, September 8, 1995.

⁴⁰⁵ . Gary Klintworth, "Lessons Learned," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.253.

the presidential election period of late 1995 to March 1996, Lee expressed his desire to end cross-strait hostilities and “pursue a peace accord with Communist China”.⁴⁰⁶

To sum up, during the 1995-96 Taiwan Strait crisis, Taipei cautiously responded Beijing’s military threats. In particular, it sought to avoid provoking Beijing. In contrast to Beijing’s relentless bellicosity, Taipei repeatedly made gestures of goodwill, reaffirming its commitment to China’s unification and urging an early resumption of cross-strait talks in an effort to maintain peace and stability in the Taiwan Strait. This suggests that Taipei was not responsible for the outbreak and the course of the Taiwan crisis despite the appearance that Lee’s US visit was that trigger.

3.4. The Issue of Taiwan Independence and the Presidential Election

3.4-1. The Issue of National Identity and Public Opinion on Unification/Independence

It is necessary to analyse issues of ethnicity and Taiwanese identification while discussing the question of mainstream public opinion.⁴⁰⁷ An ethnic division on national identity had become an issue in Taiwan’s politics and society since the early 1990s. The issue of national identity focused on ethnicity, but also involved political, social and cultural identity. The central question was the status of Taiwan: Was the island an independent state or would it unify with the mainland? A debate on national identity had been intense and had showed every sign of continuing for a long time.⁴⁰⁸ This indicated that Taiwan’s status was unlikely to be dramatically

⁴⁰⁶ . Virginia Sheng, “Lee Says March 23 Victor Must Pursue a Peace Pact,” *The Free China Journal*, March 1, 1996.

⁴⁰⁷ . For an overview of the ethnicity issue on national identity in Taiwan in the early and mid 1990s, see Alan M. Wachman, *Taiwan: National Identity and Democratization*. Armonk, N.Y.: M.E. Sharpe, 1994; Chen Wen-chun, “National Identity and Democratic Consolidation in Taiwan: A Study of the Problem of Democratization in a Divided Country,” *Issues & Studies*, Vol.33, No.4, April 1997, pp.1-44; Shelley Rigger, “Competing Conceptions of Taiwan’s Identity: The Irresolvable Conflict in Cross-Strait Relations,” in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.229-240.

⁴⁰⁸ . I-chou Liu, “Generational Discrepancies in Public Attitude on Taiwan’s Unification Issue,” *Issues & Studies*, Vol.32, No.9, September 1996, p.105.

changed in the foreseeable future. The complicated and controversial issue of national identity divided the island's citizenry. The mainlanders, whose families moved to Taiwan during the Chinese Communist take-over of the mainland in 1949, thought of themselves as Chinese. Indigenous people, whose families emigrated from mainland China generations ago and had weak, if any, links to the mainland, saw themselves as primarily Taiwanese. The mainlanders believed that the island and the mainland should reunify in the future while many native Taiwanese did not favour unification and stressed Taiwan's separate identity. In the meantime, an ethnic divide surrounding China and the divergence of views on the issue of "unification and independence" was exacerbated by regional differentiation. Rural south Taiwan was traditionally a pro-independence base while the pro-unification forces held fast in their stronghold of industrial and commercial north Taiwan. Obviously, the richer northern Taiwanese dominated the relatively undeveloped southern Taiwanese faction in the economic and political fields. This regional distribution of supporters for unification/ independence demonstrated that the idea of Taiwan independence lacked a reliable foundation.

Some politicians tried to exploit the ethnicity issue, sowing discord between mainlanders and native Taiwanese. However, at a time when the Lee administration managed to reduce potentially explosive ethnic tensions, the ethnicity issue did not become the principal issue in the mid-1990s.⁴⁰⁹ It is worth paying attention to the fact that three-quarters of the population was indigenous Taiwanese, but independence supporters were only a small minority, ranging from just over than 10% to about 15%. The number of Taiwanese people supporting independence showed little sign of significant growth in the foreseeable future.⁴¹⁰ This in turn showed that without the approval of popular will, the idea of Taiwan independence lacked legitimacy. Although the debate on national identity was, by and large, carried out along ethnic lines between mainlanders and Taiwanese, close to half of Taiwan's residents considered themselves to be both Chinese and Taiwanese in

⁴⁰⁹ . Robert Irick, "Lee's Pragmatism at Work in Mainland Relations Talk," *The Free China Journal*, April 21, 1995; Christopher Hughes, *Taiwan and Chinese Nationalism: National Identity and Status in International Society*. London; New York: Routledge, 1997, p.100.

⁴¹⁰ . I-chou Liu, "Generational Discrepancies in Public Attitude on Taiwan's Unification Issue," *Issues & Studies*, Vol.32, No.9, September 1996, p.106.

1996.⁴¹¹ A lot of native Taiwanese called the island home but did not cast away their Chinese heritage. An important phenomenon was that “a united China” was still regarded as “the core value” for 25% of Taiwan residents during 1994-1995 despite only 15% being of mainland descent.⁴¹² This showed that a quarter of the population backing reunification with the mainland was a major factor in restraining Taiwan independence.

In the mid-1990s, in regularly gauging the public mood on the unification-separation dichotomy, public opinion polls had shown an overwhelming majority of Taiwanese people were happy with the stability of the *status quo*.⁴¹³ A 1994-1995 poll presented a picture of a big middle and two small ends. It displayed that most people preferred neither unification nor independence. Those who supported immediate unification and immediate independence were in the minority. During 1994 and 1995, the number of independence supporters varied between more than 10% and about 15%. An important factor that needed to be taken into account was that among independence supporters, only 4% hoped for immediate separation. Others preferred to maintain the status quo and gradually seek independence. “The proportion of independence-oriented respondents has remained stable” during 1994 and 1995.⁴¹⁴ The low percentage of independence supporters in all public opinion surveys, in particular, the small number of die-hard independence proponents in the total population meant that the promotion of an independent Taiwan would make little progress in 1995 and 1996.

With most residents in the island feeling that the *status quo* was the most favourable, and safest, course for the future, any independence appeal obviously

⁴¹¹ . In addition, 16.6% of the public identified itself as Chinese and 33.1% viewed themselves as Taiwanese. See Chen Wen-chun, “National Identity and Democratic Consolidation in Taiwan: A Study of the Problem of Democratization in a Divided Country,” *Issues & Studies*, Vol.33, No.4, April 1997, p.14.

⁴¹² . According to an analysis of public attitudes on the Taiwan unification/independence issue, “a united China remains the core value of a group totalling about 25 percent of the Taiwan public,” see I-chou Liu, “Generational Discrepancies in Public Attitude on Taiwan’s Unification Issue,” *Issues & Studies*, Vol.32, No.9, September 1996, p.107. About 15% proportion of mainlanders in the Taiwan’s total population, see John W. Garver, *Face Off: China, the United States, and Taiwan’s Democratization*. Seattle and London: University of Washington Press, 1997, p.95.

⁴¹³ . For a survey of public opinion on the Taiwan unification/independence issue, see I-chou Liu, “Generational Discrepancies in Public Attitude on Taiwan’s Unification Issue,” *Issues & Studies*, Vol.32, No.9, September 1996, pp.103-121.

⁴¹⁴ . see I-chou Liu, “Generational Discrepancies in Public Attitude on Taiwan’s Unification Issue,” *Issues & Studies*, Vol.32, No.9, September 1996, pp.106-107.

violated the common desire of the majority of Taiwan people. Various political parties and major politicians were compelled to take public opinion seriously. Even the pro-independence DPP, under pressure from the voices of the overwhelming majority of Taiwan people, was more modest than before. In particular, Taipei's policy on national identity was shaped by the island's mainstream popular will. This manifested that Taiwan's status would not be able to be rashly changed.

Fear of a possible PRC invasion was a major reason for support of the *status quo*. Most Taiwanese feared that immediate unification would change the ruler of the island into the repressive communist government in Beijing. Although the PRC's growing military might and economic power was lost on some pro-independence supporters, the general public was worried that any move toward independence was to invite a military attack from mainland China. Indeed, Beijing's threat to attack in the event of the island declaring statehood deterred support for the idea of promoting Taiwan as an independent country. Taiwan's mainstream opinion suggested that the stability of the *status quo* was a good way to avoid a cross-strait war. Meanwhile, there were other reasons for maintaining the *status quo*. An important factor was that a single reunified nation under the Communist regime was unacceptable for the Taiwanese people. When a desirable unification with a sound political system was still in the remote future, they would prefer to maintain the *status quo*. Although 25 percent of Taiwanese people threw their support behind unification with the Chinese mainland, activists for immediate reunification with the mainland were a tiny group. From 1994 to 1995, public opinion polls had shown that only 2.5% respondents hoped to see speedy unification of Taiwan and mainland China. Another 22.5% said they thought Taiwan should maintain the *status quo* and gradually move toward unification with the mainland.⁴¹⁵ This demonstrated that among unification supporters only a few accepted an immediate unification that would be ruled by mainland communists. Most Taiwan residents opposed Beijing's formula of "one country, two systems" as a unification model.⁴¹⁶ This indicated that acceptable conditions for a merge of the mainland and the island had not yet been reached.

⁴¹⁵ . I-chou Liu, "Generational Discrepancies in Public Attitude on Taiwan's Unification Issue," *Issues & Studies*, Vol.32, No.9, September 1996, pp.106-107.

These surveys delivered a clear and strong message to Beijing: mainstream popular will did not want unification with Communist China. Therefore, Beijing should not expect any likelihood of a hasty reunification.

3.4-2. The Presidential Election and Candidates' Positions on Unification/Independence

Formally, the island's first-ever direct presidential election in March 1996 was for the office of the 9th president of the Republic of China.⁴¹⁷ It was a four-person race.⁴¹⁸ Incumbent president and KMT chairman Lee Teng-hui received the nomination of the ruling Nationalist Party to seek re-election. Meanwhile, the DPP nominated Peng Ming-min as its presidential candidate. He had been imprisoned in the 1960s and lived in exile abroad before 1992 because of his promotion of the Taiwan independence movement. An independent candidate was a former KMT leader, Lin Yang-kang. He infuriated Lee and was expelled from the party for running against its presidential candidate.⁴¹⁹ Although failing to win the KMT presidential nomination, Lin gained strong support from the CNP, and while in name, he ran as independent but he was backed by the CNP.⁴²⁰ The other independent candidate, Nationalist heavyweight, Chen Li-an also challenged Lee for the presidency. He voluntarily withdrew from the party in order to run in the presidential election.

⁴¹⁶ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, p.9; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.190-191.

⁴¹⁷ . For an overview of the March 1996 Taiwan presidential election, see Hung-mao Tien, "Taiwan in 1995: Electoral Politics and Cross-Strait Relations," *Asian Survey*, Vol.XXXVI, No.1, January 1996, pp.33-40; Tun-jen Cheng, "Taiwan in 1996: From Euphoria to Melodrama," *Asian Survey*, Vol.XXXVII, No.1, January 1997, pp.43-51.

⁴¹⁸ . For a survey of the candidates for the presidential election in Taiwan in March 1996 and their main campaign themes, see Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.174-175.

⁴¹⁹ . In December 1995 the party's disciplinary committee decided on the expulsion and the Central Standing Committee approved this decision. In a response to the expulsion, Lin declared that it was illegal and he did not recognise it. See Ling Yunhe, "A Comment on Li Denghui's Constitutional Reform That Was Packed Up With the Taiwan Independence Line," (凌云鹤, "评李登辉'宪政改革'包装下的'台独'路线,") *Outlook Weekly (了望)*, January 1, 1996, p.31.

⁴²⁰ . Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.4.

The presidential candidates were not as far apart on most issues as they might seem, despite trying to differentiate themselves from each other. The main area where they differed was cross-strait affairs. Because the issue of “unification and independence” involved war and peace, mainland-island relations became the main campaign theme and dominated the election. Thereby the election was fought on the basis of independence versus unification.

Generally speaking, Lee walked a centrist line between those who wanted independence and those who sought unification.⁴²¹ He aimed at presenting himself as an impartial and moderate champion of the island, in contrast with Peng’s independence rhetoric and the pro-unification stances of Lin and Chen. His campaign theme was one of “managing the great Taiwan and nurturing a new Chinese culture”.⁴²² On one hand, his stance on eventual unification remained unchanged. He denied that he sought independence and stressed a pledge to unify with mainland China.⁴²³ However, he underlined the fact that national unification should be performed under the “three principles of the people”. In particular, he urged Beijing to respect the ROC democratic system as a prerequisite for the reunification of China and insisted that the reunion of the two sides of the Taiwan Strait should come out of freedom and democracy on the mainland.⁴²⁴ On mainland policy, he assumed a moderate centrist stance, promising to improve cross-strait relations and seek better ties with the Chinese mainland.⁴²⁵ On the other hand, in emphasising Taiwan first and Taiwanese interests, he claimed the island’s political autonomy. Lee’s centrist line catered to the people’s expectations. Peng’s leftist

⁴²¹ . “Lee urged the people to put aside their differences on the unification vs. independence issue, saying all people on the island today are ‘new Taiwanese’ who should work hard for the ROC on Taiwan.” See Virginia Sheng, “Lee Says March 23 Victor Must Pursue a Peace Pact,” *The Free China Journal*, March 1, 1996.

⁴²² . Ling Yunhe, “A Comment on Li Denghui’s Constitutional Reform That Was Packed Up With the Taiwan Independence Line,” (凌云鹤, “评李登辉‘宪政改革’包装下的‘台独’路线,”) *Outlook Weekly* (了望), January 1, 1996, p.31.

⁴²³ . Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.133. Taipei’s official media even underlined that Lee “reiterated the ROC’s one-China policy” and “Lee’s statement should thus stand as a clear and convincing rebuttal to Peking’s accusation that he is a ‘covert separatist’”. See Editorial, “Toward a Community of Interests,” *The Free China Journal*, March 22, 1996.

⁴²⁴ . Editorial, “Toward a Community of Interests,” *The Free China Journal*, March 22, 1996.

⁴²⁵ . Lee “vowed to ‘make a historic contribution to ending hostility across the Taiwan Straits’.” See Virginia Sheng, “Presidential Rivals in TV Forum Present Platforms to the Public,” *The Free China Journal*, March 1, 1996. Also see Sheng Lijun, *China’s Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.133.

DPP line scared many electors and the two independent candidates that stood to the right side of the political spectrum had difficulties in drawing supporters.⁴²⁶ As the frontrunner among four presidential candidates, Lee had greater support than the three others in opinion polls. It appeared that he would have a strong chance of retaining the presidency.⁴²⁷ However, in order to sweep back into office with a majority, he had to campaign hard to cope with a threat from the two rebellious contenders, Lin and Chen, who allied the CNP and the anti-Lee forces within the KMT while also meeting the DPP's challenge.⁴²⁸

The two independent candidates attacked Peng for stirring up independence sentiments and tried to convince voters that Taiwanese statehood was illegal and dangerous.⁴²⁹ It seemed that the position of Lin Yang-kang and Chen Li-an on the unification vs. independence issue was the same as Lee. However, they adopted a more definite stance toward eventual unification while more firmly opposing independence.⁴³⁰ Chen criticised Lee's vague policy on national unification. Lin assailed Lee as a "traitor" for deviating from the ruling party's hallowed commitment to China's reunification. As a native-born politician, Lin consented to political autonomy for the island but did not think this and China's unification were mutually exclusive. This demonstrated that not all Taiwanese, in particular Taiwan-born politicians, favoured Taiwan's separate identity while keeping the Chinese mainland at arm's length. Lin criticised Lee's policies for fuelling tensions with Beijing and advocated a less confrontational line with mainland China. He argued that Lee's policies and his support for independence were behind the Taiwan Strait crisis.

⁴²⁶ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.153-154.

⁴²⁷ . Christie Su, "Lin and Chen Qualify for Ballot; Lee Opens Campaign Headquarters," *The Free China Journal*, January 26, 1996.

⁴²⁸ . The KMT leaders were uncertain whether the electorate would give Lee more than 50 percent of the vote, see Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, pp.174-175.

⁴²⁹ . Virginia Sheng, "Presidential Rivals in TV Forum Present Platforms to the Public," *The Free China Journal*, March 1, 1996.

⁴³⁰ . For the two independent presidential tickets' criticism of Lee on the unification/independence issue as well as his pragmatic diplomacy, and their standpoints on cross-strait relations and mainland policy as well as their foreign policy, see John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.89-92; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.4-5; Yun-han Chu, "The Political Economy of Taiwan's Mainland Policy," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*.

Should Lee retain power, his re-election would invite more troubles with the mainland and that could jeopardise the island's security. Lin promised to offer major initiatives to ease cross-strait tensions and re-establish dialogue. He favoured economic exchanges and the development of other links with the mainland. As a devout Buddhist and former defence minister, Chen spoke more of peace. In emphasising the importance of good ties between the two sides, he advocated a non-confrontational stance toward the mainland. He called for greater flexibility on cross-strait policy than the Lee administration. Both Lin and Chen sought to highlight the dangers of Lee's foreign policy. They were opposed to Lee's pragmatic diplomacy, mainly his US visit and the ROC drive for a UN seat. They believed these moves provoked Beijing, sparking cross-strait confrontation. In terms of the island's status, Lin and Chen believed that China was one country and Taiwan only a province. They espoused national unification. However, in refuting the DPP's allegations that they were allying with China against Taiwan, they tried to dispel suspicion among some groups that they might make a major concession or yield to force in facing the Chinese Communists. Both Lin and Chen tried to appeal the middle ground despite their basic pro-unification stance. Lin favoured maintaining the *status quo* and Chen called for the putting aside of differences between independence and unification sentiment. They declared that there was no hurry for reunion between the two sides of the Straits and did not support reunification under the Communist regime. In addition, they criticised Beijing's military exercises and called for peaceful unification.⁴³¹

During the campaign, the DPP's pro-independence stance had softened because of rising pressure both inside and outside the island. However, this softening also resulted from a struggle within the party over its electoral strategy. Internal strife over the party's independence platform and cross-strait policy intensified as the campaign progressed. Fundamentalists, headed by Peng Ming-min, the "godfather" of the Taiwan independence movement, and pragmatists led by DPP chairman Shih

New York and London: Routledge, 1999, p.188; Virginia Sheng, "Presidential Rivals in TV Forum Present Platforms to the Public," *The Free China Journal*, March 1, 1996.

⁴³¹ . Linda Chao and Ramon H. Myers, *The First Chinese Democracy: Political Life in the Republic of China on Taiwan*. Baltimore, Md.: Johns Hopkins University Press, 1998, pp.283, 286; Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers,

Ming-teh, were two sharply opposed sides in the party's programme for the presidential election.⁴³² Initially, Peng prepared to cast around the idea of Taiwan independence for his campaign theme. However, Shih expressed his strong disagreement with such an aggressive plan considering that this indicated a desire for formal and immediate Taiwan independence, which would concern electors. Many residents of the island feared that the DPP would declare independence if it came to power, and that this could trigger a war across the Taiwan Strait. Thereby, they would vote against the DPP's presidential candidate in order to prevent such a disaster. Shih believed that Peng's idea could gain only a small number of firm supporters who held strong pro-independence views, but would lose public appeal, in particular the votes of most native Taiwanese who should have been won over by the party. Also, Chen Shui-bian, a mayor of Taipei, one of the "Taiwan independence" protagonists, and current ROC president, persuaded Peng to soften his independence stance. It was because Chen mellowed his own pro-independence stand that he won the Taipei mayoralty in the 1994 elections. According to his own successful experiences, he advised Peng that the independence issue was electoral poison.⁴³³

Despite failing to reach a consensus on dropping its independence platform within the party, the DPP's campaign theme did not focus on independence alone in order to win over middle-ground voters.⁴³⁴ Peng had to moderate his position, changing his campaign theme from "define national territory, draw international recognition" into "peace, dignity and Taiwan president". However, he did not abandon his pro-independence stand. He wanted to ensure the loyalty of the 20 percent of the electorate that had always cast their ballots for independence and who did not seriously think that the DPP might lead the island into conflict. On the other hand, he tried to avoid provocative calls for Taiwanese statehood seeking to downplay the

1999, p.5; Virginia Sheng, "Presidential Rivals in TV Forum Present Platforms to the Public," *The Free China Journal*, March 1, 1996.

⁴³² . For Peng's internal rift with Shih over the independence issue and the DPP's cross-strait policy during the campaign, see "Taiwan: Setback for the Godfather of Independence," *Asiaweek*, October 27, 1995, p.36; Christie Su, "Two Months to Presidential Vote, Four Candidates Remain," *The Free China Journal*, January 19, 1996; Staff Reporter, "The DPP Faced a Splitting Plight," (本刊记者, "台湾民进党面临分化困境,") *Outlook Weekly* (了望), May 27, 1996, pp.36-37.

⁴³³ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.172; "Taiwan: Setback for the Godfather of Independence," *Asiaweek*, October 27, 1995, p.36.

⁴³⁴ . In its "campaign platform, the party made no explicit mention of independence, instead using indirect language such as 'ensuring Taiwan's sovereignty'." See "Taiwan: Setback for the Godfather of Independence," *Asiaweek*, October 27, 1995, p.36.

issue of independence in the party's charter in order to broaden his support. He repeatedly said he had no intention of rushing to formalise the island's *de facto* autonomy. In emphasising a gradual change for Taiwan's status in the future, he stated that whether the island should declare independence should be decided unhurriedly through a referendum. By showing that his own history of agitation for a separate state was not to be feared, he intended to remove an impression that he was reckless toward cross-strait relations. He even held out an olive branch by discussing amicable ties across the Straits and maintaining constructive dialogue with the mainland.⁴³⁵ His foreign policy was born out of an assertion of Taiwan's status as a sovereign independent state and whose standpoint was to strive to obtain international recognition for such *de facto* sovereignty. Peng backed away from his earlier tough independence talk and Shih showed even greater moderation. The Party boss toned down the DPP's pro-independence position to reassure voters that the party would not provoke a dangerous confrontation with mainland China. He carried out a policy of grand reconciliation, seeking to resolve provincial differences between native Taiwanese and mainlanders for a reconciled Taiwan society, in an apparent attempt to win over voters with middle-of-the-road tactics. More positively, he tried to convince voters the DPP was a stabilising force because of its on-going moderate stance on cross-strait relations, suggesting that a DPP government would not take precipitate action. In an effort to dilute the independence issue, he emphasised the fact that the party's sound public policy would improve welfare service projects and provide social material benefits for Taiwanese. Peng's revised campaign theme and Shih's milder position had relaxed the formal independence stand and adjusted the party's mainland policy.

The result of the presidential election on March 23 1996 gave Lee Teng-hui 54 percent of the vote, a triumph but a slim majority of the total vote.⁴³⁶ Despite coming second to Lee, Peng Ming-min failed miserably picking up just 21 percent of the votes, which was far less than the DPP had hoped. Respectively, Lin Yang-kang and Chen Li-an received 14.9 percent and 10 percent. Raised here is a question: What is

⁴³⁵ . Christie Su, "Lin and Chen Qualify for Ballot; Lee Opens Campaign Headquarters," *The Free China Journal*, January 26, 1996; Virginia Sheng, "Presidential Rivals in TV Forum Present Platforms to the Public," *The Free China Journal*, March 1, 1996.

the implication of the outcome of the presidential elections for the balance of the political forces between pro-unification and pro-independence within the island? In reviewing the messages that voters delivered, scholars' perspectives offer several explanations. Some, such as John W. Garver, interpret Lee's and Peng's combined vote, 75 percent, as the will and wishes of Taiwanese to resist unification.⁴³⁷ Meanwhile, others such as Sheng Lijun, consider that the 54 percent of the vote that Lee captured was not "necessarily indicating support for Taiwan independence", but an endorsement of his middle-of-the-road policy toward the mainland. Moreover, Lee's triumph was partly because of his denial of the pursuit of independence and his promise to eventually reunify and improve relations with mainland China.⁴³⁸ In view of Lee's campaign theme of eventual unification, his 54 percent of the vote plus 25 percent that Lin and Chen gained could mean that 75 percent of the electors supported unification. Actually, neither pro-reunification nor pro-independence groups dominated the minds of most residents in the island. The results confirmed that three-fourths of the Taiwan people still favoured the *status quo*. More significant, Peng's setback underscored the antipathy and fear that many people still felt toward the DPP. The voters' message was a clear one, most Taiwan residents opposed Taiwanese sovereignty. This indicated that support for pro-independence forces was weak and the DPP's influence did not have much significance regarding the island's status. Another question raised for discussion is: How much did cross-strait tensions, in particular, Beijing's military threats, influence voters? In terms of the effects of the PRC war games, whether it was effective in undermining voter confidence, the assessments are mixed.⁴³⁹ Indeed, on one hand, Beijing's efforts to scare those who originally wanted to vote Peng or Lee led to some second thoughts among voters. On the other hand, Beijing's missile tests, intended to influence Taiwanese voters, backfired, failing to prevent those who supported Peng or Lee from voting for their chosen candidates. This study suggests although the PRC

⁴³⁶ . For the outcome of the presidential elections, see Virginia Sheng, "Lee Sweeps to Victory in Presidential Poll," *The Free China Journal*, March 28, 1996.

⁴³⁷ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.154.

⁴³⁸ . Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, p.133.

military exercises affected the election, the election's result was basically decided by a trial of strength between the political forces of pro-unification and pro-independence inside the island.

3.4-3. Lee Teng-hui's Controversial Role in the Issue of Unification/Independence

Analytical inquiries into the issue of Taiwan independence involve a question of whether Lee Teng-hui was an independence advocate. This directly relates to the justification of Beijing's belligerence against Taiwan during the period mid 1995 and early 1996, aimed at stopping Lee's pursuit of Taiwan independence.

Beijing had an inconsistent view on Lee. Until before his visit to the US in June 1995, the PRC leaders had little doubt about Lee's repeated statements that he favoured unification and rejected independence. Although Beijing was dissatisfied over what it considered a lack of positive response from Lee toward unification, it did not conclude that he had engaged in activities aimed at separating China. Jiang Zemin deemed Lee a partner with whom he could cooperate in negotiating on the reunification issue.⁴⁴⁰ Shortly after Lee's visit to the US, Beijing criticised the visit and his delay of reunification, but did not yet accuse him of seeking independence.⁴⁴¹ However, it seemed that when internal political contention arose about how to respond to Lee's US visit, Beijing fundamentally changed its view. Abruptly, it was decided that Lee was no longer a Taiwan leader it could trust or work with. Instead,

⁴³⁹ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.92.

⁴⁴⁰ . In Jiang Zemin's new Taiwan policy announced in early 1995, called 'Jiang's eight proposals on Taiwan', he expressed his hope to meet with the Taiwan leader to "discuss state affairs, or exchange ideas on certain questions first." See Jiang Zemin, "Continue to Promote the Reunification of the Motherland," (江泽民, "为促进祖国统一大业的完成而继续奋斗,") January 30, 1995, in the Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.231-235.

⁴⁴¹ . A leading Chinese expert on Taiwan, Li Jiaquan, (李家泉) summarised Lee's mainland policy as follows: It integrated, but did not reunify, with mainland China, and separated but did not seek independence. It maintained one country, two equal political entities and sought a change in cross-strait relations and Taiwan's status in the future adopting dilatory tactics. See an interview with three scholars in Beijing: "What Has Lee's US visit Brought About the PRC-US Relations?" ("李登辉访美给中美关系带来了什么?") *Outlook Weekly (了望)*, July 3, 1995, p.24.

he became an anathema. Beijing asserted that his US trip illustrated that he really favoured independence, representing separatism in deeds despite supporting reunification in words.⁴⁴² Subsequently, Beijing attacked Lee more sharply. In the fourth quarter of 1995, Chen Jian, the Chinese foreign ministry spokesman, blamed Lee for stirring up “separatist activities”.⁴⁴³ As internal struggle appeared to have intensified over Taiwan policy issues, the PRC official media in early 1996 escalated their attacks accusing Lee of trying to push Taiwan toward independence.⁴⁴⁴

Lee’s US visit prompted Beijing to make a new assessment of him. According to Suisheng Zhao, “Beijing’s adoption of the coercive strategy in 1995 was, to a great extent, due to the change in its appraisal of Lee Teng-hui.” Beijing had viewed Lee’s US trip, along with his diplomatic drives, as signs of his intention to betray his promise of eventual unification.⁴⁴⁵ Unfortunately, Zhao’s discourse has little to teach us about how and why this reassessment of Lee occurred. In particular, Zhao does not analyse or reveal what were the internal political processes in this reassessment. On the grounds that these questions are not clarified, this study suggests that we should investigate the background and processes of this major change in Beijing’s view on Lee’s stance toward the issue of unification/independence. It appears that a more profound cause could be found in the internal politics of Beijing.

Was Lee a “Taiwan independence” protagonist? Did he promote the independence movement? Did he intend to lead Taiwanese to found an independent sovereign state, the republic of Taiwan? These are very complex and controversial questions, which have to be clarified.

Lee has repeatedly denied such allegations. According to Lee himself, he has never promoted Taiwan independence. While strongly refuting accusations brought against him, he even frequently justified his objection to independence in the mid-

⁴⁴² . Ling Yunhe, “Li Denghui’s Footprints on the Road of Taiwan Independence,” (凌云鹤, “李登辉在台独之路上的足迹,”) *Outlook Weekly* (了望), August 7, 1995, pp.9-10.

⁴⁴³ . “News Briefing by Chinese Foreign Ministry,” *Beijing Review*, November 6-12, 1995, p.24.

⁴⁴⁴ . Wang Yu, “Where Did Lee Deng Hui Intend to Guide Taiwanese Popular Will to Head for?” (王玉, “李登辉欲把台湾民意引向何方?”) *Outlook Weekly* (了望), February 12, 1996, pp.26-27.

⁴⁴⁵ . Suisheng Zhao, “Changing Leadership Perceptions: The Adoption of a Coercive Strategy,” in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.107-113.

1990s.⁴⁴⁶ In repeated statements, he spoke of anti-independence 126 times by November 1995.⁴⁴⁷ Since stepping down from the presidency, he has continued denying the allegations of his pursuit of Taiwan independence.⁴⁴⁸

Although it seemed that Lee's efforts to carry out political reform and democratisation were perceived as a threat to the Chinese Communist regime, Beijing made few remarks on his intentions in conducting these political activities. However, after his visit to the US in June 1995, the harsh criticism from mainland China aimed at him became increasingly intense. Lee was accused of using the democratisation of Taiwan to fabricate independence. Beijing perceived his constitutional, parliamentary and electoral reforms and, in particular, direct presidential elections, together with pragmatic diplomacy as three major moves toward a Taiwanese statehood.⁴⁴⁹ These fierce criticisms appeared to result from internal political manoeuvring. In Sheng Lijun's opinion, it was Lee's US visit that changed Beijing's view on his political reconstruction. Meanwhile, Sheng believes that the visit "intensified the internal strife within the Chinese leadership, which could ill afford to appear weak on the Taiwan issue".⁴⁵⁰

Undeniably, Lee was an active promoter of Taiwanese identity,⁴⁵¹ yet he had not become an advocator of Taiwan independence during 1995 and early 1996. In this period, he actually adopted a centrist line in trying to tackle the thorny issue of the status of Taiwan. As the first Taiwan-born ROC president, he had strong Taiwanese

⁴⁴⁶ . In November 1994, Lee "openly denied an accusation" "that he is pursuing Taiwan independence, noting that whoever spread such a rumor must be involved in some 'political conspiracy'." See Susan Yu, "Lee Denies He Has Independence Plan," *The Free China Journal*, November 25, 1994. Also see Ruan Ming, *National Reunification: Project of Lasting Importance* (阮铭, 两岸统一 百年大计). Taipei: The Rice Field Publishing Ltd. (稻田出版有限公司), 1996, p.7.

⁴⁴⁷ . See Bi Yun He, "Who Did 'Defame' Lee Deng Hui?" (碧云鹤, "是谁给李登辉'抹黑'?") *Outlook Weekly* (了望), November 27, 1995, p.34.

⁴⁴⁸ . Lee declared that he "has never pushed for Taiwan independence" despite disagreeing "with mainland China's idea of unification". See Jay Chen and Fang Wen-hung, "Former ROC President 'Never Pushed for Independence'," *CNA*, October 3, 2000.

⁴⁴⁹ . Ling Yunhe, "A Comment on Li Denghui's Constitutional Reform That Was Packed Up With the Taiwan Independence Line," (凌云鹤, "评李登辉'宪政改革'包装下的'台独'路线,") *Outlook Weekly* (了望), January 1, 1996, p.31.

⁴⁵⁰ . See Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.106-107.

⁴⁵¹ . For an overview of Taiwan identity and Taiwanese nationalism, see Yi-chueh Day, *Nationalism and Democracy: Taiwanese Nationalism and Taiwan's Democratization*—A thesis submitted in fulfilment of the requirements for the Degree of Master of Arts in Political Science in the University of Canterbury. 1999; Alan M. Wachman, *Taiwan: National Identity and Democratization*. Armonk, N.Y.: M.E. Sharpe, 1994.

awareness and championed Taiwanese rule of Taiwan. His appeal to local identity demonstrated his support of greater Taiwanese autonomy. With his sense of a self-governing Taiwan, he wanted Taiwanese be the master of their homes. However, localisation, identity and political autonomy are not equivalent to Taiwan independence. The heart of the matter of these notions is that Taiwan should be governed by Taiwanese. This is in line with the PRC policy toward Taiwan, of which the kernel is the “one country, two systems” formula. The formula was further elaborated in Jiang Zemin’s eight-point Taiwan policy. It permitted Taiwan residents to run their own affairs after reunification with the Chinese mainland. In particular, it pledged that Taiwan would exercise an extraordinarily high degree of local autonomy that would be distinguished from other provinces and regions of mainland China. Taiwan would have its own administrative power and “independent judicial power, including that of final adjudication”, even a military prerogative to keep its forces.⁴⁵² Before mid-1995, Beijing had no objection to Lee’s quest for full political autonomy for Taiwan. However, hereafter, Beijing changed its view on his pursuit of autonomous rule. It labelled Lee’s moves in seeking political localisation and self-government of Taiwan and Taiwanese interests as marching for Taiwan’s independence.⁴⁵³

Great efforts had been made to conduct “Taiwanisation” of the island since Lee came into office. Meanwhile, he also identified himself as being first of all Chinese.⁴⁵⁴ Although in favour of localism, he had never called for Taiwan’s independence. This demonstrated that his Taiwanese awareness and continuation of carrying on Chiang Ching-kuo’s initiative of “Taiwanisation” did not necessarily equate to a quest for a Taiwanese sovereign state. On the contrary, he reiterated his

⁴⁵² . Jiang Zemin, “Continue to Promote the Reunification of the Motherland,” (江泽民, “为促进祖国统一大业的完成而继续奋斗,”) January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, p.232.

⁴⁵³ . Ling Yunhe, “A Comment on Li Denghui’s Constitutional Reform That Was Packed Up With the Taiwan Independence Line,” (凌云鹤, “评李登辉‘宪政改革’包装下的‘台独’路线,”) *Outlook Weekly* (了望), January 1, 1996, p.31; Yang Yunhu, “The Comment and Analysis on Taiwan Leaders’ Recent Statements,” (杨运虎, “台湾领导人近期言论评析,”) *Outlook Weekly* (了望), June 24, 1996, p.31.

⁴⁵⁴ . Robert Irick, “Lee’s Pragmatism at work in Mainland Relations Talk,” *The Free China Journal*, April 21, 1995.

position on eventual unification.⁴⁵⁵ Since coming into office in early 1988, he had consistently supported unification. The KMT's basic policy was to fulfil national unification and the ROC constitution prohibited the separation of China. His capacity as party chief and state president meant that he had to maintain his stand promoting unification. In terms of China's unification, he promoted the establishment of the National Unification Council and the formulation of the Guidelines for National Unification. The Guidelines upheld the 'One China' principle stipulating peaceful and democratic unification as the ultimate goal and mapping out a three-stage development towards achieving unification.⁴⁵⁶ Despite his numerous reaffirmations of commitment to China's unification, the PRC official media alleged that Lee had embarked on a conspiracy, behaving as if he was supporting reunification but covertly agitating for Taiwan independence following his visit to the US.⁴⁵⁷

Some scholars hold the view that Lee did not promote the Taiwan independence movement during 1995 and early 1996. For example, American political scientist John F. Copper does not believe that before 1996 Lee led Taiwan to detach from mainland China and disagrees with Beijing's allegation that Lee was a supporter of Taiwan independence.⁴⁵⁸ To be sure, Lee might have indirectly encouraged Taiwanese self-determination aspirations. However, this does not justify Beijing's charge that Lee had a secret agenda to further Taiwan's independence during 1995 and early 1996. The nub of the question is that since Beijing had already seen through Lee's plots, why did it continue to view him as a Taiwan leader who could be trusted and worked with on the reunification issue as late as early 1995? Another key point is that since Beijing had been convinced he really favoured independence in mid 1995, how did it explain the abrupt shift in its responses to Lee's US visit from moderation to belligerence? In any case, there has been no conclusive evidence

⁴⁵⁵ . Lee vowed solemnly that China would be bound to reunify. See Bi Yun He, "Who Did 'Defame' Lee Deng Hui?" (碧云鹤, "是谁给李登辉'抹黑'?") *Outlook Weekly* (了望), November 27, 1995, p.34.

⁴⁵⁶ . Yu Ke, "Will It Be Overcast Or Fine Over the Taiwan Strait After March?" (余柯, "三月过后是阴还是晴?") *The Perspective* (南北极), No.310, April 1996, p.18; "Guidelines for National Unification, adopted by the National Unification Council on February 23, 1991, and by the Executive Yuan Council on March 14, 1991," *Free China Review*, Vol.41, No.9, September 1991, p.44.

⁴⁵⁷ . "Lee's Cornell Speech Rapped on Chinese Press," *Beijing Review*, August 14-20, 1995, p.12.

⁴⁵⁸ . John F. Copper, *Taiwan: Nation-State or Province?* Boulder, Colorado and Oxford: Westview Press, 1996, p.46.

or information showing that he had conspired to promote Taiwan as a sovereign state independent of China during 1995 and early 1996. Therefore, Beijing's opinion of the use of the military to smash Lee's conspiracy to carry out independence was unconvincing.

3.4-4. The Domestic Conditions for Taiwan independence

Restricted by various kinds of deterrence, including international restraints, there was no possibility of a declaration of Taiwan independence during 1995 and early 1996.⁴⁵⁹ In terms of domestic conditions, the popular will demonstrated that most residents wanted to maintain the *status quo* rather than change the island's legal status. Any declaration of independence by way of constitutional change would gain little public support. According to the law of the land, an action promoting *de jure* independence remained illegal despite democratisation. Although anyone advocating independence no longer faced charges of subversion, they were bound to obey the ROC Constitution, based on the principle of 'One China', not a Taiwanese republic. The China-unifiers retained legitimacy and pro-unification elements in Taiwan predominated over separatists. It was unlikely the pro-independence forces would make much progress in the short term as anti-independence political forces were still strong. This indicated that the pro-independence DPP would find it impossible to gain power in the mid-1990s. Although it seemed that the Taiwan independence momentum was gaining, the advocates for separatism found it increasingly difficult to declare independence. Fundamentally, the political strength of separatist forces in the island lacked the adequate political capital to agitate for Taiwan independence during 1995 and early 1996. In the late 1980s and the early 1990s, the Taiwan independence movement's focus was clear and definite: the founding a sovereign independent Taiwanese state. However, due to mounting pressure from within the island and from the international community, in the mid-1990s its advocacy of *de jure* independence was becoming increasingly modest. Instead, it emphasised the

⁴⁵⁹ . For an overview of the Taiwan independence movement, in particular, an analysis of its impossibility in the mid-1990s, see Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification*. Hong Kong; New York: Oxford University Press, 1994, pp.226-246.

dignity of people as well as Taiwan's actual state as a sovereign nation.⁴⁶⁰ Even some DPP leaders realised formal independence might be nothing but wishful thinking and moderated their position, turning to a more realistic view on the future of Taiwan's status. Thus, the political situation within the island demonstrated that there was no possibility of Taiwanese statehood. To be sure, Taipei showed its political centrifugal tendencies and took some steps to distance itself from mainland China. However, the ROC government had no plan to found another sovereign state by splitting from China or by changing its national title into the republic of Taiwan despite 45 years of *de facto* independent rule. Although Beijing viewed Lee Teng-hui's US visit as a major move in pursuing Taiwan independence, in fact, Taipei did not take extreme steps towards independence. The visit was, at worst, a diplomatic incident.

Therefore, Taiwan independence was an issue, but it was far from imminent. There was no serious threat of a declaration of independence by Taiwan. Even some people inside PRC political circles formed a judgement from analyses of the political situation in Taiwan that there was no danger of independence for Taiwan despite looking out. For example, Wang Daohan, a principal advisor to Jiang Zeming on Taiwan policy, acknowledged that Taiwan independence had not taken shape in the administration of Lee Teng-hui despite his intentions.⁴⁶¹ Because there was neither a scheme to create a new country in Taipei nor a chance for the island to realise *de jure* independence during 1995 and early 1996, Beijing's perception that Taiwan independence was approaching was more an argument serving internal political contention than an objective judgement of Taiwan's political situation.

⁴⁶⁰ . Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.160.

⁴⁶¹ . See Luo Bing, "Communist China's Policy toward Taiwan Will Loosen," (罗冰, "中共对台政策拟'松动',") *Cheng Ming Monthly* (争鸣), No.223, May 1996, p.9.

Chapter Four

The Structure and Process of PRC Policy toward Taiwan

4.1. The Party-Government Decision Making System

Kenneth Lieberthal, Michel Oksenberg and David M. Lampton offer a comprehensive analysis of the characteristics of the PRC political system and decision-making framework. They provide a fragmented authoritarian model for the PRC structure and process of policy formulation.⁴⁶² On one hand, it is a centralised and authoritarian regime. On the other, it is fragmented and disjointed below the highest levels of power. In fact, the political system and decision-making framework are fractionated into a formal institutional structure and fragments that provide conditions for informal political networks and activities. Also, there is an institutional potentiality for the power struggles at the leadership level. Therefore, fragmentations lead to conflict within the political system and make the policy structure disjunctive and the policy process diffuse and cumbersome.

⁴⁶² . Kenneth G. Lieberthal and David M. Lampton (eds), *Bureaucracy, Politics, and Decision Making in Post-Mao China*. Berkeley: University of California Press, 1992, pp.5-12; Kenneth Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures, and Process*. Princeton, New Jersey: Princeton University Press, 1988, pp.137, 151; David M. Lampton (ed.), *Policy Implementation in Post-Mao China*. Berkeley: University of California Press, 1987, p.4. However, Michel Oksenberg revises his viewpoint, suggesting “an eclectic set of three types of institutions”. See Michel Oksenberg, “China’s Political System: Challenges of the Twenty-First Century,” *The China Journal*, No.45, January 2001, pp.21-35. On the characteristics of the PRC leadership system and policy decision-making, also see Carol Lee Hamrin and Suisheng Zhao (eds), *Decision-Making in Deng’s China: Perspectives from Insiders*. Armonk, New York: M.E. Sharpe, 1995, pp.xxv-xli.

Under such circumstances in the early and mid 1990s, PRC Taiwan policy-making was a complex combination of both the multiple frameworks of divergent departments and the manifold-fields of politics, the economy, the military and diplomacy. These circumstances made it potentially easy to divide and rule, to manipulate and exploit and to establish and defend power bases for rivalries in the power struggle. More conspicuous, amid the supreme leadership succession, the Taiwan policy-making structure and process involved noninstitutional elements, informal political networks mainly interpersonal relationships and leaders' personal political intentions, as well as the institutional elements working simultaneously.

How to view and understand the nature of the so-called party-state decision-making system is very important. Because leaders are not strictly ruled and limited by the law and the Communist Party has not been supervised or balanced by other political forces outside itself, functions of the polity and operations of the state machine often occur in an informal fashion.⁴⁶³ In this sense, the political system and decision-making of Leninist states makes it impossible to achieve all-round institutionalisation.⁴⁶⁴ Beyond this, the PRC political system and general framework of policy formulation are both party and government in one. A confusion of responsibility between the party and the government, where governmental function is replaced by the party, can often be seen in the PRC Taiwan policy-making system. For example, the PRC leadership has maintained a dual, identical party and state

⁴⁶³ . According to Andrew J. Nathan, the PRC has "one of the most secretive political systems in the world". "The Communist Party's Politburo Standing Committee is the highest organ of formal political power in China, despite constitutional provisions that legally give that role to the National People's Congress". See Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.xv-xvii.

⁴⁶⁴ . According to Andrew J. Nathan, "in the Chinese system there are no horizontal organs—courts or legislatures—with institutionalized powers to resolve deadlocks". See Andrew J. Nathan and Perry

Taiwan policy-making system as the working institution for Taiwan affairs since 1991. The Taiwan Affairs Office consists of the same people, yet is simultaneously under both the central authorities of the Communist Party of China (CPC) and the Chinese government.⁴⁶⁵ The party-state integration in Taiwan policy-making potentially brings in noninstitutional elements, causing problems in mechanism, course and outcome.

The PRC organs of political power are reputed to be six big leading groups. They are The National People's Congress' Standing Committee (NPCSC); The Chinese People's Political Consultative Conference' Standing Committee (CPPCCSC); The Central Committee of the CPC; The Presidency; The State Council; The Central Military Commission (CMC). It is necessary to examine the function and status of these six big leading groups in order to establish which are the most authoritative organs.

Although the NPCSC and CPPCCSC are largely rubber stamp organisations, they made efforts to increase their power from the mid-1980s onwards. However, in 1995-96, they still played a minor role in making decisions on Taiwan. This notwithstanding, the NPCSC did some research work and conducted some legislative activity relating to Taiwan. For example, in 1979, it published a message to Taiwan compatriots proposing to end the military confrontation and make contacts and exchanges between the two sides of the Taiwan Strait.⁴⁶⁶ In 1981, the chairman of

Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, p.xxxii.

⁴⁶⁵ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of The State Council (中共中央台湾工作办公室 / 国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, p.178.

⁴⁶⁶ . "Message to Compatriots in Taiwan by the National People's Congress' Standing Committee," (" 全国人大常委会告台湾人民书 , ") January 1, 1979, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工

NPCSC, Ye Jianying, put forward a nine-point proposal for the peaceful reunification of China.⁴⁶⁷ To a great extent, this was due to Ye's prestige in both the party and the country, as well as his interpersonal relations with Taiwan politicians. In 1994, an act was endorsed by the NPCSC, aiming at protecting the interests and rights of Taiwanese businessmen and encouraging their investment on the mainland, as well as improving economic exchanges across the Taiwan Strait.⁴⁶⁸ Some preparatory work for legislation relating to reunification with Taiwan had also been engaged in despite the prospect that reunification would only occur in the remote future. Thus the drafting of the Taiwan Basic Law had begun. A bill had been patterned after the Hong Kong Basic Law in light of the "one country, two systems" formula although it carried some distinct, and important, articles. One such example was that regarding the assertion that Taiwan would retain its armed forces after reunifying.⁴⁶⁹

The CPPCCSC, a political advisory body with no real power, plays a smaller and less important role in decision-making on Taiwan. Together with the NPCSC, it publishes statements to support the party's line, as well as guiding principles urging the Taiwan authorities to accept the CPC and PRC stances on Taiwan. Nevertheless, these Taiwan affairs in which both the NPCSC and CPPCCSC are engaged are undertaken according to the party's instructions.

作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.226-228.

⁴⁶⁷ . "Ye Jianying's Interview with Xinhua Correspondent," ("叶剑英向新华社记者发表的谈话,") September 30, 1981, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.229-230.

⁴⁶⁸ . "Law Stands Surety for Taiwan Investors," *Beijing Review*, March 28-April 3, 1994, p.7.

⁴⁶⁹ . Chen Jingxin, "Li Jiaquan: Beijing Has Made a Draft of the Taiwan Basic Law," (陈竞新, "李家泉: 北京已有台湾基本法草案,") *United Daily News (联合日报)*, October 19, 1996, p.1.

In contrast to the largely powerless NPCSC and CPPCCSC, the CPC Central Committee, the State Council and the Central Military Commission (CMC) have real power. In the PRC, the party, the government and the military are the real decision-making institutions. The State Council is the PRC governmental cabinet. However, it is under the party's leadership and its many subordinate ministries are directly commanded by the CPC Central Committee. The general secretary of the CPC Central Committee or a powerful Politburo member is usually concurrently both the state president and the chairman of CMC.

The party controls all state power, be it political, diplomatic, economic, judicial and military. In theory, the National Party Congress is the supreme organ of power and the Central Committee exercises that power, representing the National Party Congress when the latter is not in session. But the real supreme organ of power is the Standing Committee of the Political Bureau and its subordinate Central Secretariat. The positions of central secretaries are usually held by the members of the Political Bureau and its Standing Committee. The Political Bureau meets, but some of its members permanently reside outside Beijing because they are the party secretaries of major cities and key provinces. Both the Politburo Standing Committee and the Central Secretariat are at the heart of the power structure, governing party affairs, ruling the state and formulating domestic and foreign policy. They divide up the work and share the responsibilities. The Politburo Standing Committee makes the most important policy decisions, while the Central Secretariat handles routine affairs. Usually, a policy is drafted by the Central Secretariat and is then submitted to the Politburo Standing Committee. The members of the Politburo Standing Committee, especially the general secretary, who is in charge of these two

powerful highest organs of authority and presides over their meetings, have the final say. Doubtless, since the party makes all key decisions through the party's leadership apparatus, the formulation of PRC policy towards Taiwan is made in the Politburo Standing Committee and the Central Secretariat.

There are two important issues for consideration, the leadership system and policy mechanism. The school of institutional outcome represented by You Ji highlights collective leadership within Jiang Zemin's administration. It suggests that collective leadership had become the defining factor of the polity during the early and mid 1990s and the party-state's major policy-making had to be approved by that leadership mechanism.⁴⁷⁰ However, this study seeks to interpret collective leadership from a perspective of informal and succession politics. Collective leadership is only a provisional or short-term arrangement.⁴⁷¹ When a successor consolidates his status, grasping more personal power, a new oligarch will emerge from the collective leadership and develop into a new dictatorial ruler. In any case, collective leadership that is based on weak successor status is derived from succession politics rather than democratic politics. Fundamentally, collective leadership scarcely alters the existing political system.

In theory, collective leadership is established on the basis of coalitions of major political players. There is a power balance between top leaders with different

⁴⁷⁰ . See You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999; You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997.

⁴⁷¹ . Lucian W. Pye and Tang Tsou consider that collective leadership is not a substantive system but "a transitional phase". See Lucian W. Pye, "Factions and the Politics of Guanxi: Paradoxes in Chinese Administrative and Political Behaviour," *The China Journal*, No.34, July 1995, p.38; Tang Tsou, "Chinese Politics at the Top: Factionalism or Informal Politics? Balance-of-Power Politics or a Game to Win All?" *The China Journal*, No.34, July 1995, p.107.

political alliances. One might look to this power balance as comparable to democratic decision-making with elite pluralism. Yet, in practice, collective leadership is a gloss despite being advertised as a norm. Such a system almost never really operated in the era of Mao Zedong. In the era of Deng Xiaoping, although he consulted several elder statesmen on occasion as well as political rivals such as Hua Guofeng for a time, there was no real collective leadership system.⁴⁷² In the PRC, collective leadership only flourishes when there is no clear, omnipotent leader. Weak leadership, where the successor lacks personal authority, is a prerequisite for collective leadership. Due to the unstable successors' status in the leadership transition and the uncertainty surrounding succession battles, a collective leadership system was introduced during the power transition from Deng to Jiang. Considering Jiang's weak and vulnerable successor position, Deng designed the collective leadership system for Jiang's administration, under which Jiang had to share power with other members of the leading body, including his political rivals.

Because Deng placed the restrictions of collective leadership on Jiang, he lacked personal authority. Outwardly, during 1995 and 1996 he had consolidated his status as Deng's successor. Yet, Jiang did not fully gain the reins of power until early 1997, when Deng died. At a time of ongoing leadership transition, Jiang's leadership remained open to challenge. Most unfavourably, the contenders for the leadership succession bided their time to take advantage of Jiang's potentially unstable

⁴⁷² . Parris Chang believes that there were some conditions, mainly Deng's "relative lack of power", that allowed an evolution toward collective leadership in the era of Deng Xiaoping. Meanwhile, Lowell Dittmer considers that Deng endorsed "a more collective arrangement" for two years in the late 1970s but this was because the leadership was in the succession process. See Lowell Dittmer, "Patterns of Elite Strife and Succession in Chinese Politics," *The China Quarterly*, No.123, September 1990, pp.405-408. In addition, Yan Jiaqi believes that Deng and several veteran communists formed a collective leadership in the early 1980s but before long it "evolved into dictatorship by Deng". See Yan Jiaqi, "The Nature of Chinese Authoritarianism," in Carol Lee

successor position and attack him. In competing with him, they effectively took advantage of collective leadership to pressure and balance him. Jiang had to use political caution, accommodation and consensus-building to even achieve compromises and concessions.

PRC policy decision-making has been noted for its consensus-building. However, the evaluations and explanations of this by Chinese politics scholars differ.⁴⁷³ This study seeks to explain consensus-building along with informal and succession politics. Under informal political conditions, policymaking is, from time to time, blocked by factional rivalry and the leadership succession struggle. When frictions arise, opposing factions and rival leaders make it difficult for their counterparts to act in a conciliatory fashion and reach mutually acceptable policies. With the accommodation of divergent views on issues in policy debate, consensus-building may mediate the impasse between factions to relieve the threat of policy-hijacking. In reaching a consensus, the compromise proposals must be consented to by the various factions involved in political deal making. If a consensus is reached, the policy process proceeds will flow and decisions will be made.

In particular, consensus-building is largely employed in policy decision-making in the leadership succession process. During transitions of power, the leadership

Hamrin and Suisheng Zhao (eds), *Decision-Making in Deng's China: Perspectives from Insiders*. Armonk, New York: M.E. Sharpe, 1995, p.5.

⁴⁷³ . The literature on the fragmented authoritarian model gives an appraisal of consensus-building. See Kenneth Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures, and Process*. Princeton, New Jersey: Princeton University Press, 1988, pp.23-24; David M. Lampton (ed.), *Policy Implementation in Post-Mao China*. Berkeley: University of California Press, 1987, pp.18, 169-170. With a comparison of the Maoist period and the Dengist period, Frederick C. Teiwes makes a higher assessment of consensus-building in the Dengist period despite acknowledging Deng's still-authoritarian nature. He views consensus-building as "consensual politics" from the perspective of "a cultural proclivity". See Frederick C. Teiwes, "The Paradoxical Post-Mao Transition: From Obeying the Leader to 'Normal Politics,'" *The China Journal*, No.34, July 1995, pp.60-62, 89-91. You Ji thinks better of "consensual politics" under Jiang Zemin's leadership from 1989 to 1995. See You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau,

succession factional struggle is fierce, giving rise to considerable policy disputes over domestic matters and foreign affairs. For example, Lee Teng-hui's US visit in 1995 became a major issue dividing leaders who represented different factions. Under such circumstances, wars of words take place, accusations fly, positions harden, tensions mount, and policy decision-making is blocked. This forces policy organisations to search out a solution to policy obstruction. Compromises become necessary for the maintenance of factional balance. Leaders have to look for adjustments and compromises that can accommodate various factions and cobble together support for any major policy decision. In achieving a balance between different factions, they have to agree to a mutually acceptable form of decisions that allows differences to be resolved. Unless a balance between different factions is achieved, or one faction makes a major concession to another, no major decision will be made. Thus consensus-building emerges in response to the needs of mediating factional rivalry.

On some occasions, especially where the vital interests of various factions are not involved, a consensus can be reached. Nevertheless, when various factions have a major stake in critical developments, consensus-building often ceases to function.

It needs to be pointed out emphatically that consensus is built largely behind the scenes, in irregular processes through which private deals are made. The policy decision-making course becomes a process of bargaining, in which leaders seek to secure their power and preserve political benefit while complying with some factions' demands. Thus, consensus-building under collective leadership does not necessarily improve on policy decision-making. On the contrary, it is likely to

engender more problems in policy timing and quality because of the informal political factors, especially resulting from the leadership succession struggle. Leadership cleavages and deep divisions on major policy issues amid the succession struggle may be postponed or temporarily mediated but they cannot be completely settled. More negotiations for compromise have to be undertaken to limit renewed conflict. A host of internal pressures force leaders to rely more on factional support in the succession struggle. This makes the policy structure more complicated and the policy process more diffuse. In reaching a consensus, leaders spend much more time bargaining and may fail to respond promptly to major policy issues. Even policy-hijacking can occur unless one side submits to pressure or the other side makes a major concession.

In the case of the 1995-96 Taiwan crisis, it seemed that the leaders of Beijing tried, but failed, to solve disagreement among competing factions over how to handle the issue of impeded Taiwan policy-making. However, You Ji argues, by reason of the institutional collective leadership, consensus-building played a decisive role in shaping the PRC policy toward Taiwan, in particular, Beijing's decision-making on events in the Taiwan Strait during 1995 and 1996. This study will examine this matter in depth.⁴⁷⁴

4.2. The Central Leadership Small Groups and the Taiwan Policy-Making System

Press, 1996, pp.1-27.

⁴⁷⁴ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.77-97.

The Politburo Standing Committee and the Central Secretariat are the highest of the policy-making bodies because they are the real force at the core of in the PRC state power structure. However, although these two top organs of power are in charge of general policy decision making, it is impossible to specifically formulate policies for all. Therefore, almost every one of the most important policy areas is assigned to a leading small group.

The central leadership small groups are the party-state's highest policy-making bodies in these major areas. Taiwan is regarded as such an important policy area. Thus the Central Taiwan Work Leading Group (CTWLG) was established to supervise Taiwan affairs and policy. The other areas include foreign policy, finance and economics, party organisation and personnel and ideology and propaganda. The members of the Political Bureau or its Standing Committee and the Central Secretariat act as the group heads. In the mid-1990s, Jiang Zemin headed the two groups, Taiwan and finance and economics while Premier Li Peng assumed the top position in the leading group on foreign policy.⁴⁷⁵ Li was a contestant for the succession to Deng Xiaoping. He played second fiddle, ranking behind only Jiang and was concurrently a powerful Member of the Politburo Standing Committee. Qiao Shi was the third ranking leader in the party. At that time, Qiao was a member

⁴⁷⁵ . There have been about six standing Central Leading Groups (CLG) altogether since the late 1970s. Among them the central leading group for Taiwan affairs has maintained its place. These six groups are as follows. The Diplomatic Affairs CLG (It is evolved from the Foreign Affairs CLG); The Economic Reform CLG (It is evolved from the Finance and Economics CLG); The Organisation and Personnel CLG; The Propaganda and Ideology CLG; The Guiding Principle and Policy CLG; The Taiwan Work CLG. Luo Bing, "Li Peng Seized Personnel Power," (罗冰, "李鹏夺得人事大权,") *The Trend Magazine* (动向), No.199, September 1999, pp.7-8; Chen Te-sheng, "Mainland China's Taiwan Affairs Organizations and Personnel," *Issues & Studies*, Vol.30, No.7, July 1994, p.47. For Li's headship of the Central Foreign Affairs Leading Group, see You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in*

of the CPC Politburo Standing Committee, secretary of the CPC Central Political and Legal Affairs Commission and Speaker of the PRC parliament. He was believed to be a formidable rival in the competition for leadership succession. These two areas, Li's supervision of foreign affairs and Qiao's supervision of legal and security matters, closely related to Taiwan affairs and policy. Thereby these two contenders could exploit their oversight of those fields to balance Jiang on the Taiwan issue and compete for the right of succession.

The duty of the leading small group is to form a guiding principle and principal policy goals in a specific field.⁴⁷⁶ The group's activities are almost never reported in the media.⁴⁷⁷ Their policy decision-making establishes the destiny of the nation and has an important bearing on the well-being of the Chinese people, but their organisations, functions, establishments and operations have not lawful base. To a great extent, these groups replace the parliamentary and governmental functions. This potentially disturbs the polity and institutions that the party itself has established.

How are the functions and authorities divided between the Politburo Standing Committee, the Central Secretariat, and the central leading small groups? Both the Central Secretariat and the central leading small groups work under the leadership of the Politburo Standing Committee. There is a division of power between these three leading organs, but the Politburo Standing Committee, the most authoritative organ,

Politics and Military Power. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.40.

⁴⁷⁶ . Regarding the functions of the leading small group, see Carol Lee Hamrin and Suisheng Zhao (eds), *Decision-Making in Deng's China: Perspectives from Insiders*. Armonk, New York: M.E. Sharpe, 1995, p.xivii.

⁴⁷⁷ . According to Chen Te-sheng, on a few occasions the PRC media reported the existence of the central leadership small groups and the Central Leading Group for Taiwan Affairs. See Chen Te-sheng, "Mainland China's Taiwan Affairs Organizations and Personnel," *Issues & Studies*, Vol.30, No.7, July 1994, pp.45-47.

makes the final decisions. The Central Secretariat is responsible for formulating general policy but must report to the Politburo Standing Committee. The central leading small groups are in charge of specific major policy areas and are also responsible to the Politburo Standing Committee instead of a single leader. Although the members of the central leading small groups including their heads are political heavyweights, in theory they are under the leadership of the Politburo Standing Committee. Only when authorised by the Committee could they make major policy decisions.⁴⁷⁸ For example, when handling the major Taiwan issues, the CTWLG is not able to act independently but has to report and submit its proposals to the Politburo Standing Committee.⁴⁷⁹ However, in practice, the relationship between these two organs is very complicated and their interactions are largely affected by the different political situations and internal political factors.

The above exposition has charted the formal organisations of the PRC party and state regarding general decision-making bodies, as well as policymaking procedures at the highest level. The Taiwan policy-making system works in this context with the direct policy-making framework for Taiwan mainly constituted by the Central Taiwan Work Leading Group and the Taiwan Affairs Office. In addition, there is the Association of Relations Across the Taiwan Straits (ARATS). Some officials of the

⁴⁷⁸ . For the working relationship between the central leading small groups, the Central Secretariat and the Politburo Standing Committee, see Greg Austin, *China's Ocean Frontier: International Law, Military and National Development*. St. Leonards, NSW, Australia: Allen & Unwin in association with the Department of International Relations and the Northeast Asia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra, ACT, 1998, pp.229-231; Ruan Ming, "The Evolution of the Central Secretariat and Its Authority," in Carol Lee Hamrin and Suisheng Zhao (eds), *Decision-Making in Deng's China: Perspectives from Insiders*. Armonk, New York: M.E. Sharpe, 1995, pp.15-23.

⁴⁷⁹ . For the working relationship between the Central Taiwan Work Leading Group, the Central Secretariat and the Politburo Standing Committee, see George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.6.

Taiwan Affairs Office play a role in the ARATS, but, nominally, it is a semi-official body in charge of dealing with Taiwan negotiators.

Under this framework, the Beijing leadership centralises power on Taiwan policy-making and considers politics more than the economics in pursuing its Taiwan policy goals. Thereby the local authorities and the economic departments relating to cross-strait economic relations have little influence on the establishment of Taiwan policy.⁴⁸⁰

Within this framework, while the formal organisational system works, the other noninstitutional elements also feature.⁴⁸¹ The noninstitutional elements show that informal political factors occupy an important place in Taiwan policy-making.

4.3. The Central Taiwan Work Leading Group (CTWLG)

The activities of CTWLG are never publicised and membership is never announced. It is neither included in the PRC government bulletin nor appears on the chart of the CPC formal organisational system. The PRC leadership has neither confirmed nor denied its existence. However, people both inside and outside the country know that such a shadowy powerful apparatus exists. It often appears in the CPC and PRC documents that circulate inside the party and around government

⁴⁸⁰ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.40; This thesis's Chapter 7.2-1. Other Domestic Factors That Might Affect Taiwan Policy-Making.

⁴⁸¹ . George W. Tsai points out, "Within the established system, Taiwan affairs offices, and military, security, and foreign policy units may transmit their opinions to higher-level units through administrative channels. Outside the established system, relevant organizations and persons may pass their opinions directly to the central decisionmaking body, either in the form of important or special reports or opinion exchanges." See George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, pp.1-30.

officials. Its organisational framework consists of a head, deputy-head, general-secretary and a handful of members.⁴⁸²

CTWLG is responsible for making major policy and coordinating the work of the various organs involving Taiwan policy and affairs. It functions as the key Taiwan policy formulation, coordination, communication, supervision, and consultation mechanism between the Politburo Standing Committee, the Secretariat and the Taiwan affairs system. Principally, it is charged with deliberating on policy principles and guidelines for cross-strait relations and reunification with Taiwan. It is responsible for formulating and presenting Taiwan policy proposals for the Politburo Standing Committee to discuss. The most important duty of CTWLG is to form strategic principles and major policy goals regarding the Taiwan issue. Its policy formulation ranges over a wide range of crossing strategy, politics, military and economy, from broad policy initiatives to major policies to deal with any developments. Usually, it draws up middle and long term plans. For example, it worked out a strategic programme regarding Taiwan work in 1993 with the approval of Deng Xiaoping and other senior statesmen.⁴⁸³ Also, it mapped out one-year working plan and two-year schemes.⁴⁸⁴

Simultaneously, CTWLG assigns the tasks and responsibilities of various departments whose work is relevant to Taiwan, but does not take charge of their day-to-day administrative management. Also, it is in charge of coordination among the party, the military and the administrative branches concerning Taiwan affairs while

⁴⁸² . Chen Te-sheng, "Mainland China's Taiwan Affairs Organizations and Personnel," *Issues & Studies*, Vol.30, No.7, July 1994, pp.45-47.

⁴⁸³ . Li Zijing, "Beijing Deliberates Taiwan Strategy," (黎自京, "北京研讨对台战略,") *The Trend Magazine (动向)*, No.145, September 1998, pp.19-20.

⁴⁸⁴ . "It Was Reported That Communist China Has Readjusted Its Taiwan Policy in Short Term," ("传中共近期调整对台政策,") *United Daily News (联合日报)*, September 11, 1996, p.1.

overseeing the implementation of the party central leadership's decisions on Taiwan and dealing with cross-strait issues. In particular, in setting directions and giving instructions on how to handle relations between the two sides of the Taiwan Straits, it directly leads the departments under the party's Central Committee and the ministries under the State Council.

The making of the party-state's Taiwan policy appears to be conducted under an institutional framework but involves a number of political factors and informal political elements, in particular the leaders' personal political considerations. The sector of Taiwan affairs and policy, as one for the supreme authorities, took an unexpectedly prominent place in the party power center because of its extreme importance and high sensitivity after the late 1980s. The head of CTWLG was a very influential position, assuring power-seekers of considerable control over the Taiwan policy and the military. Thus, competition for control of the CTWLG and contentions on the making of cross-strait policy became an important aspect of the leadership succession struggle.

Generally speaking, the CTWLG was chaired by political and military heavyweights, who simultaneously held top jobs in the party, state and military. However, before the period of 1992 to 1993, Jiang Zemin was unable to control these most important sectors, such as the military and Taiwan policy, despite being the nominal 'leader' of the country. This demonstrated that his authority was not completely established. Although Jiang had succeeded Deng Xiaoping as CMC chairman at the end of 1989, he had no real power to command the army. Before 1992, the military dominated policy-making and handling of affairs regarding Taiwan. The CTWLG was headed by Yang Shangkun, then state president and

military strongman. Although his position inside the party was as a member of the Political Bureau, he was widely viewed as being second in real power to paramount leader Deng because he was permanent vice-chairman of the powerful CMC and his half-brother was CMC general-secretary.⁴⁸⁵ Yang was a protege of Deng and had assisted him when Deng held the post of CMC chairman from the late 1970s to the late 1980s. In terms of military power, Yang reduced Jiang to a mere figurehead and became an authoritative figure, keeping the handling of routine affairs of the military to himself. Yang, however, failed in the power struggle with Jiang at the 14th National Party Congress in 1992. He was forced to step down as CMC first vice-chairman and state president in late 1992 and early 1993 respectively. Jiang replaced Yang, becoming state president while continuing to hold the posts of CPC general secretary and CMC chairman. As a result, Yang was also replaced as CTWLG head by Jiang.⁴⁸⁶

During the mid-1990s, Politburo Member and Vice-Premier Qian Qichen, who was concurrently Foreign Minister, held the CTWLG deputy-headship. The CTWLG secretary-generalship was held by Politburo Member and Director of the Taiwan Affairs Office, Wang Zhaoguo. Several senior officials in charge of Taiwan policies such as defence and security, were also members. CTWLG members included PLA Deputy Chief of Staff Xiong Guangkai, National Security Minister Jia

⁴⁸⁵ . According to Andrew J. Nathan, Yang's "formal position was head of state but whose real job was Deng's business manager within the leadership". Yang "supervised" "the Politburo Standing Committee on behalf of Deng and the Elders" and "directly managed" "the Central Military Commission" "on Deng Xiaoping's behalf". See Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.xxix-xxxii.

⁴⁸⁶ . "Before Yang Family Generals Were Removed from Office, Yang Shangkun Had Intended to Oust Jiang Zemin and Li Peng from Office," ("杨家将削权前 杨尚昆曾想拉江泽民·李鹏下台,") *TTNN* (华讯每日新闻), September 20, 1998; Wang Mingyi, *Uncertain Straits: When the Republic of China Met with the People's Republic of China* (王铭义, 不确定的海峡—当中华民国碰上中华人民共和国). Taipei: The Times Cultural Publishing Enterprise Ltd.

Chunwang and Chairman of the Association for Relations Across the Taiwan Straits Wang Daohan.⁴⁸⁷ Both Xiong and Jia were members of the CPC Central Committee. Jiang had overall supervision and took charge of strategic principles. Qian assisted Jiang and acted on his behalf when Jiang went abroad for state visits or was absent from CTWLG meeting on other business. As the supervisor of Taiwan policy and affairs, as well as foreign policy and relations, Qian was in a position to coordinate with both of them. Wang Zhaoguo was concurrently CPPCCSC Vice-Chairman and Head of the CPC United Front Work Department (UFWD). However, his inclusion in CTWLG was due to his positions as a Politburo member and leader of the departments concerned for Taiwan work. This did not mean that both CPPCCSC and the UFWD played an important role in the making of the Taiwan policy. Wang Zhaoguo was responsible for the CTWLG's routine duties and coordination between various departments concerning Taiwan affairs. Xiong took charge of commanding military intelligence, diplomacy and strategy. He was the military representative in CTWLG. Jia Chunwang's role was to provide intelligence for CTWLG in formulating Taiwan strategy. Wang Daohan's specific responsibility was to participate in Taiwan policy-making and the handling of cross-strait affairs after retirement from the Shanghai mayoralty.

It was believed that Wang Zhaoguo and Jia were not influential in the CTWLG. There were two reasons for this. Their roles were restricted by Jiang and their departments' competence was limited. Wang did not play a major role in formulating Taiwan strategy. He even lost his CTWLG secretary-generalship, and

(时报文化出版企业股份有限公司), 1993, p.313.

⁴⁸⁷. Xu Zhijia, "CTWLG Will Directly Administer Coordination on Taiwan Affairs," (许志嘉, "中共中央亲掌涉台协调事宜,") *Central Daily News, International Edition* (中央日报, 国际版), December 11, 1996, p.4.

was replaced by Xiong despite Wang retaining CTWLG membership in mid-1995.⁴⁸⁸

As the authority of the Ministry of National Security was downgraded on Taiwan affairs,⁴⁸⁹ Jia's importance in the making of cross-strait policy was similarly lessened. Xiong and Wang Daohan played bigger roles than Wang Zhaoguo and Jia within the CTWLG.

In terms of factional division, Xiong was close to Jiang and Wang Daohan was Jiang's key protege. Jiang favoured Xiong with promotion to a higher military post and rank, in an attempt to secure him as a trusted follower within the military.

Although Xiong had such links with Jiang, he still needed to preserve the military's own vital interests as a whole, allowing for the potential to conflict with Jiang.⁴⁹⁰

Xiong, as a spokesman on the military's strategy, was responsible for both military intelligence gathering and defence policy towards Taiwan. Thus, he was widely viewed in the Western countries, in particular the US, as a key architect of the PRC Taiwan policy. Wang Daohan was Jiang's former superior. He had made great contributions to Jiang's rise to power and Jiang had a special and deep confidence in him. Although Wang was no longer at his post as a member of the CPC Central Committee, Jiang still appointed Wang to the CTWLG in order to strengthen his political influence and dominate the body.⁴⁹¹

In contrast with Xiong and Wang Daohan, Wang Zhaoguo and Jia Chunwang had no personal political ties with Jiang. Both had historical affiliations with former

⁴⁸⁸ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.61-62.

⁴⁸⁹ . See Chapter 4.1-7. The Roles of Indirect Departments in Making Taiwan Policy.

⁴⁹⁰ . For the relationship between Xiong and Jiang, see Dan Bo, "Reasons Why Replaced National Security Minister," (淡泊, "国安部长易人为哪般,") *The Trend Magazine* (动向), No.152, April 1998, pp.40-42.

⁴⁹¹ . For the relationship between Wang and Jiang, see Chapter 4.8. Two Centres of Taiwan Policy-Making.

general secretaries, Hu Yaobang and Zhao Ziyang. Hu died in 1989 but Zhao was still alive. Jiang replaced Zhao as the party's general secretary in 1989. Although Zhao was no longer at his top post, he appeared to maintain influence in political circles through interpersonal relationships as a result of his promotion of many people who became senior officials.⁴⁹² Jiang constantly watched out for his possible return to power and could not readily trust those senior officials who were former subordinates of Zhao.⁴⁹³

Jia was a protege of Qiao Shi.⁴⁹⁴ It appeared that there were few possibilities for Wang and Jia to give their sincere support to Jiang's efforts to consolidate his successor position, despite implementing Jiang's Taiwan policies. Qian Qichen had no close links with Jiang, appearing not to have bound himself with Jiang in the succession struggle. Hence, although he implemented many of Jiang's Taiwan policies, it was more to maintain the established official stance than to take Jiang's personal political considerations into account.⁴⁹⁵

Therefore, Jiang was not in complete control of the CTWLG, despite being backed by Wang Daohan and counting on Xiong for support. In particular, according to You Ji, "effective control" over Taiwan affairs had "fallen to" Premier Li Peng.⁴⁹⁶

⁴⁹² . Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.353-359, 381-382.

⁴⁹³ . Yue Liming, "Zhao Ziyang's Elements Are Increasing in the Political Circles of Communist China," (岳立明, "中共政坛赵紫阳因素上升,") *China Spring* (中国之春), No.139, May 1995, pp.13-16; Li Zijing, "Distinguishing and Analysing the Hearsay on Zhao Ziyang," (黎自京, "赵紫阳传闻真伪辨,") *The Trend Magazine* (动向), No.106, June 1994, pp.14-15.

⁴⁹⁴ . According to Willy Wo-Lap Lam, then MNS Minister, Jia Chunwang was seen as having close links with Qiao. See Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.33-34. For the relationship between Jiang and Jia, see Ming Lei, "Deng Xiaoping Calls a Halt to Anti-Corruption in the Beijing Municipal Machinery," (明蕾, "邓小平对北京反腐'叫停',") *Cheng Ming Monthly* (争鸣), No.218, December 1995, p.34.

⁴⁹⁵ . For the relationship between Jiang and Qian, see Chapter 4.1-8. Two Centres of Taiwan Policy-Making.

⁴⁹⁶ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence

As the top Taiwan policy-maker, Jiang sought to exploit his position and power for personal political benefit. However, if he did not accurately estimate the political circumstances surrounding him, especially the balance of political forces within the CTWLG and Politburo, his policy initiatives on Taiwan could complicate succession and undermine his position.

4.4. The Taiwan Affairs Office (TAO)

During the early and mid 1990s, the TAO was the party and government's agency for dealing with cross-strait relations, but was not the most important and active Chinese agency formulating Taiwan policies.

According to the official documents, as the main working organ regarding Taiwan, it carries out the guiding principles and policies of the CPC Central Committee and the State Council regarding Taiwan, organising the formulation of rules and regulations concerning Taiwan affairs, while translating abstract principles of central leadership on Taiwan into policies that could be implemented in practice. It coordinates and manages relevant affairs to promote the exchange of mail, air and shipping services as well as trade between the mainland and Taiwan, coordinating and directing exchanges and contacts with Taiwan, and directing news and propaganda toward Taiwan jointly with the departments concerned.

There are seven functional bureaux in the TAO: secretariat, the comprehensive, research, information, economic, exchange and liaison units.⁴⁹⁷

The above-mentioned functions of the TAO suggest that it is the executive body for Taiwan affairs. Outwardly, it is the highest government agency focussed on charting PRC policy toward Taiwan. But it must work under the CTWLG leadership. Sometimes it has published Taiwan policy statements, for example, *The Taiwan Question and Reunification of China* in 1993.⁴⁹⁸ However, those statements were authorised by the CTWLG, which is not itself suitable for conducting foreign contacts because of its shadowy nature. In terms of the Taiwan policy establishment, the main functions of the TAO are to make the secondary policy and translate the principles of the central Taiwan policy-makers into policies that can be implemented in practice. In addition, it is responsible for drawing up policy options and submitting policy proposals to the party's central leadership. In the process of formulating policy toward Taiwan, it also provides information and feedback to CTWLG members. However, its main responsibilities are to supervise Taiwan policy implementation, including organisation, direction, management and coordination. In particular, it is responsible for the day-to-day administration of Taiwan affairs, supervising and handling technical affairs.

Therefore, the TAO does not hold the keys of Taiwan policy-making. To a great extent, its main duty is to implement, rather than make, Taiwan policy. Even though

⁴⁹⁷ . The Taiwan Work Office of the CPC Central Committee and the Taiwan Affairs Office of The State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.178-179.

⁴⁹⁸ . Taiwan Affairs Office & Information Office, State Council, the People's Republic of China: "The Taiwan Question and Reunification of China," (国务院台湾事务办公室/国务院新闻办公室, "台湾问题与中国的统一,") August 1993, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.244-260.

sometimes it plays an important role, it never acts as a decisive body in the policy making structure and process. Any subtle or significant change and any response to sudden events and major decisions concerning Taiwan policy are beyond the limits of power of the TAO and must be submitted to the CTWLG for consideration. In all Taiwan policy-setting units, the CTWLG is the highest policy-making body, with immense real power.⁴⁹⁹

Although the TAO has no a final say in Taiwan policy decision-making, it is still an essential organ, especially as it serves to a link the upper and lower levels and coordinate the ministerial departments concerned. During the early and mid 1990s, various factions, in particular contestants for succession to Deng Xiaoping spared no effort to dominate it. This involved a debate over its capacity, which became one the focuses of the struggle. The Taiwan Work Office of the CPC Central Committee was established in 1979.⁵⁰⁰ When there was no the working organ for Taiwan affairs in the governmental apparatus, it took the administrative management on Taiwan affairs into its own hands. After the Taiwan Affairs Office of the State Council was established in 1988, these two Taiwan affairs offices inevitably competed with each other. Both were merged into a single whole in 1991 to avoid duplication and conflicts.⁵⁰¹ Its characteristics were that it was both party and government in one. It was simultaneously subordinate to both the Central Committee of the Party and the State Council. A small difference was that, when it appeared in the party's name it

⁴⁹⁹ . George W. Tsai considers that "the importance of the TAO should be particularly emphasized." Meanwhile, he acknowledges that the TAO possesses " 'relative' power to make suggestions and decisions." See George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.11. This study argues that the TAO seldom can make policy decisions except the secondarily important policy matters.

⁵⁰⁰ . George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.6.

was called the Taiwan Work Office of the CPC Central Committee and when it represented the government it was called the Taiwan Affairs Office of the State Council. This illustrates the ambiguity of the TAO's capacity, which crossed the boundaries of the party and government.

However, even though the merger was motivated by a desire for convenience and effectiveness, in theory, the TAO was more the party's than the government's. For example, the Vice-Premier Qian Qichen (who was concurrently Foreign Minister), held positions in the State Council but, to a great extent, served as a Politburo Member and the CTWLG deputy-head acting in a party capacity. When directing the TAO, he acted mainly in the capacity of the CTWLG deputy-head through the party's system. A peculiar phenomenon was that the head of the State Council, the Premier, by and large did not directly instruct the TAO, which worked under the CTWLG leadership. In both the 1980s and the 1990s, none of the premiers were CTWLG members. Basically, except for administrative and economic affairs regarding Taiwan, they should not have had a hand in the TAO in light of the division of labour and individual responsibilities of the paramount leaders.⁵⁰²

Nevertheless, Premier Li Peng meddled in the TAO and intended to influence Taiwan policy despite this not being in conformity with the party's principles of

⁵⁰¹ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室 / 国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, p.178.

⁵⁰² . For the division of labour between the party's general secretary and the premier, see You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.5. For the division of labour between Jiang and Li over Taiwan and the actual operations, see You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.40.

dividing up the work and partaking the responsibilities.⁵⁰³ The point at issue was that the TAO should be run by the party, yet the TAO's budget and personnel was not administered by the party's system. This led to the TAO being simultaneously administrated by the State Council. This circumstance made it possible for Jiang Zemin's rivals to meddle in the TAO. Li's intervention and Jiang's defence of his dominance in Taiwan policy were part an overt and covert power struggle. Jiang found it hard to reorganise the system to formally and entirely include the TAO in the party's organisational system under the control of the party's general secretary. His desire was satisfied only after his position was consolidated as paramount leader in reality as well as in name in 1998.⁵⁰⁴

During the early and mid-1990s, Jiang found it extremely difficult to fend off his rivals from becoming involved in Taiwan policy. Regarding it as a field of competition with Jiang, Li sought to intervene. Li's intervention came by way of his headship of the Central Foreign Affairs Leading Group (CFALG). Though Jiang was party chief and head of state, Li was one of the members of the CPC Politburo Standing Committee, head of government and in charge of foreign policy. As a result, Li largely and substantively controlled Taiwan affairs.⁵⁰⁵ However, in light of the party-state norms, it was Jiang's prerogative to take charge of Taiwan policy

⁵⁰³ . George W. Tsai believes that Premier Li Peng "is very powerful" and "supervises and controls TAO operations." See George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.10.

⁵⁰⁴ . Xiao Peng, "The National Meeting on Taiwan Will Be Convened in the Short Term—Jiang Zemin Makes Plans for New Policy on Cross-Strait Relations," (萧鹏, "全国对台工作会议近期召开—江泽民筹划新两岸政策,") *Sing Tao Daily, New Zealand Edition* (星岛日报, 纽西兰版), May 8, 1998, p.2.

⁵⁰⁵ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.40. For Li's intervention in Taiwan policy and the contentions between Li and Jiang over how to respond to Lee Teng-hui's US visit amid the leadership succession struggle, see Chapter 8.1. The PRC Leadership Succession and a Tough Taiwan Policy.

rather than Li. Although Li's intervention could be justified by the close relationship between foreign and Taiwan affairs, his involvement violated party principles. Jiang appeared to be the legitimate 'frontman' for Taiwan affairs because of his CTWLG headship. However, putting personal political considerations, such as the consolidation of his power and Wang Dohan's political appointment, into the making of Taiwan policy proved disruptive. More unfavourably, with Li effectively controlling Taiwan affairs, Jiang would run risks in initiating his new Taiwan policy, inevitably causing serious consequences. In a word, both Li and Jiang disturbed institutionalisation in their Taiwan policy-making.

4.5. The Association for Relations Across the Taiwan Straits (ARATS)

ARATS is reputed to be the PRC semi-official body which deals with Taiwan. To be specific, ARATS plays an instrumental role in conducting direct negotiations with the Taiwan authorities and parties concerned. In particular, ARATS consults on matters relating to exchanges and concerns surrounding cross-strait contacts with its reciprocal Taiwan body—the Straits Exchange Foundation (SEF). ARATS again is both a party and governmental institution. It is state-funded but ostensibly private. It was formed in 1991 to handle sensitive exchanges with its Taiwan counterpart, the SEF. The SEF works under the Mainland Affairs Council (MAC), an administrative agency responsible for the Taiwan authorities' mainland policy. MAC is the same as the Taiwan Affairs Office, which is a cabinet-level body

monitoring the island's mainland policy. Actually both ARATS and SEF represent the governments of Taiwan and mainland China respectively to deal with bilateral exchanges. Under the circumstances, mainland China and Taiwan moulded themselves into virtually two parts of the same mechanism for the channel of dialogue, which established a framework for formal exchanges of opinions across the Taiwan Strait. However, in emphasising and maintaining the SEF nongovernmental capacity, the MAC vice-chairmen were not concurrently SEF vice-chairmen and its bureau-chiefs were concurrently departmental deputy-heads under SEF.

According to the PRC official documents, ARATS accepts direction and acts under the authorisation of the Taiwan Work Office of the CPC Central Committee together with the Taiwan Affairs Office under the State Council. Although ARATS declares that it works under its constitution, the Comprehensive Issues Bureau under the TAO is in charge of handling day-to-day work of ARATS. ARATS's aims are to strengthen contacts with social organisations and public figures from various circles who agree with the ARATS purposes; assist the parties concerned to promote contacts and exchanges between both sides of the Taiwan Strait; assist the parties concerned to handle issues of cross-strait compatriot contacts; preserve legitimate interests of cross-strait compatriots; accept entrusting by the parties concerned of mainland China to negotiate with the parties concerned and the authorised organisations and figures of Taiwan on relevant issues in cross-strait exchanges and sign documents on the nature of agreements.⁵⁰⁶

Ostensibly, ARATS is a social organisation. But in reality it is an official organ. Such an important matter as Taiwan is naturally under control of the party and

government. Not only is the responsibility between the party and the government confused, but also the functions between state and society are only slightly differentiated. Thus ARATS is three organisations consisting of the same people—the Taiwan Work Office of the CPC Central Committee, the Taiwan Affairs Office under the State Council and ARATS. Their deputy-heads even branch-chiefs hold positions with each other. For example, in the mid-1990s, Tang Shubei was the ARATS executive vice-chairman and secretary-general, and concurrently deputy-director of the Taiwan Work Office of the CPC Central Committee and the Taiwan Affairs Office under the State Council. His subordinate bureau-chiefs in these two party and government institutions were concurrently departmental deputy-heads under ARATS. A small difference was that Wang Zhaoguo, director of the Taiwan Work Office, was not concurrently ARATS chief. Wang Daohan was the chairman.

ARATS is an organisation to manage and handle concrete Taiwan affairs. More exactly, it is a Taiwan policy implementation body rather than a Taiwan policy-making organ. It is not in a position to decide whether to accept the cross-strait political arrangements or proposals from Taipei because it has not been given the right to deal with thorny political problems. Even though it can conduct high-level cross-strait negotiations including political talks, and sign accords on the handling of technical issues as well as commercial and other practical matters, it can not take a major initiative or give any substantial concession by itself. In theory, ARATS is authorised by the Taiwan Work Office of the CPC Central Committee and the Taiwan Affairs Office under the State Council. But actually ARATS is authorised by CTWLG. Any contact and meeting between ARATS and SEF must be approved by

⁵⁰⁶ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the

CTWLG. In particular, any decision on new approaches towards Taiwan will be made by CTWLG.

However, ARATS chairman Wang Daohan was in a unique position. On one hand, although Wang Zhaoguo was a director of the Taiwan Work Office and the competent person overseeing the ARATS, he was not in a position to directly lead Wang Daohan. On the other hand, Wang Daohan had to be supported by Wang Zhaoguo and his staff. In particular, in conducting cross-straits talks, Wang Daohan could not work without the assistance of Wang Zhaoguo's subordinates. This was a strange organisational framework. It reflects the fact that the system of PRC policy-making on Taiwan was more heavily influenced by personal factors more than by institutionalisation.

A further analysis can deepen understanding of how the mechanism of PRC policy-making on Taiwan operated during the early and mid-1990s. Wang Daohan was chairman of ARATS and was in charge of the mission to conduct cross-strait talks. He showed his face as the top PRC negotiator, handling bilateral talks with his Taiwan counterpart, Koo Chen-fu. Wang Daohan had a say in making Taiwan policy. However, on some occasions he preferred to express his opinion privately in the PRC Taiwan policy establishment, rather than as a representative of ARATS. Sometimes he published Taiwan policy statements as ARATS chairman whilst actually speaking in his CTWLG capacity or representing Jiang Zemin flying a kite.⁵⁰⁷

State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.179-180.

⁵⁰⁷ . "Qian Qishen and Wang Daohan—Upper Limit and Lower Limit in the PRC Taiwan Policy," ("钱其琛·汪道涵—大陆对台政策的上下限,") *TTNN* (华讯每日新闻), June 24, 1998.

Wang Daohan was directly authorised by Jiang Zemin rather than his nominal ARATS superior—Wang Zhaoguo. Moreover, theoretically, Wang Daohan's working relationship with Qian Qishen was governed by the principle that the lower level was subordinate to the higher level. Qian was deputy-head of CTWLG and Wang was one of members of CTWLG, but in practice Wang Daohan often followed his own course, even conflicting with Qian. Wang accepted only Jiang as his superior.

The relations between these departments and figures were very complex. It revealed that the architecture of Taiwan affairs and policy and its formulation and execution were a body of contradictions. While the formal organisational system worked in handling the Taiwan issue, there were other noninstitutional elements. The most conspicuous example was the complicated relations between Wang Daohan and Wang Zhaoguo. In this case, the incumbent and superior did not play a key role in making Taiwan policy but the retiree and subordinate were influential in forming cross-strait strategy. These noninstitutional elements, structurally impacted upon the Taiwan affairs and policy system, causing internal conflicts.

4.6. The Taiwan Policy-Research Institutions and Information Network

In the mid-1990s, the Taiwan policy-research institutions and information network were divided into five sub-systems, which were responsible for providing the central leadership with advice on major issues and some guidelines for future policy.

First was the sub-system of the Ministry of Foreign Affairs, which was headed by Qian Qishen. Chief among this sub-system were the Institute of International Issues under the Ministry of Foreign Affairs and the State Council's International Studies Centre.

Second was the sub-system of the Taiwan Affairs Office, which was headed by Wang Zhaoguo. Its major departments were the Research Bureau and the Information Bureau under the Taiwan Affairs Office, as well as the Research Department under ARATS.

Third was the sub-system of the National Security Ministry, which was headed by Jia Chunwang. One of its main branches was the China Institute of Contemporary International Relations, which was nominally an independent research institution but actually the Eighth Bureau—the Research Bureau under the National Security Ministry. Another was publicly known as the Institute of Taiwan Studies of the Chinese Academy of Social Sciences but was secretly affiliated with the National Security Ministry as a bureau-level unit.

Fourth was the sub-system of the military, which was headed by Xiong Guangkai. One of the principal bodies was the China Institute for International Strategic Studies under the Military Intelligence Branch of the PLA General Staff Department. Another was the China Association for International Friendly Contacts under the Liaison Branch of the PLA General Political Department.

Fifth was the sub-system of Shanghai think-tanks, which was headed by Wang Daohan. Its basic elements were the Shanghai Institute of International Studies, the Taiwan Issue Research Centre under the Shanghai Academy of Social Science, the Shanghai Institute of Taiwan Studies and the Strategy Research Association in

Shanghai. In addition, other Shanghai think-tanks on international affairs and Taiwan also served Wang Daohan.⁵⁰⁸

In addition, there were other Taiwan policy think-tanks. For example, the China Institute for International Economic Relations was composed of well-known scholars and influential government officials and retired senior diplomats. It was viewed as an important think-tank on foreign policy, while also dealing with the Taiwan issue. The Taiwan studies institutions were also established under some universities such as the Taiwan Research Institute at Beijing Union University and the Taiwan Research Institute of Xiamen University. However, they were not particularly influential.

After sorting and analyses, the research results and information from these five sub-systems were presented to Wang Zhaoguo, general-secretary of the CTWLG. He would then differentiate the important from the less important and the urgent from the less urgent to submit intelligence and policy proposals to Jiang Zemin and other state-party leaders to look over and decide on any action to be taken. However, in practice, every sub-system had its own channel to communicate with the highest leaders. Various sub-systems could offer opinions to the paramount policy-makers through their own immediate superiors in the form of urgent reports, circulations on special topic, monographic studies or even concrete policy proposals and operation schemes. This fragmentation and diffusion led to competition between various sub-systems. Although Wang Zhaoguo was the general-secretary of CTWLG and was responsible for synthesising relevant materials for the top leaders, he had little control over the whole Taiwan policy-research institution framework and information network. Meanwhile, a handful of persons in the central leadership wanted to be

⁵⁰⁸ . "A Survey of Communist China's Party, Government and Military Think-Tanks on Taiwan,"

offered the different opinions from the foreign press, especially regarding the PRC leaders' authorities, standings, personal affairs and interpersonal relationships, in order to utilise them in attacking their political opponents in the struggle for power. For this purpose, the highest leaders felt that the information provided by these research institutions was not enough. Every Politburo member had his or her own secretary of foreign affairs, who was in charge of collecting information from, and reflecting on the foreign press, especially the Western media. External public opinions and foreign governmental leaders' remarks could be exploited to consolidate their own power bases and weaken the positions of political opponents.⁵⁰⁹ Under such circumstances, control of the Taiwan policy-research institution framework and information network became an important aspect of the struggle for dominance in the formulation of policy toward Taiwan during the succession struggle.

These Taiwan policy research institutions did not take an independent place in the general system of Taiwan policy-making because they were respectively affiliated with different departments responsible for the field-work. The five sub-systems represented their own departments and reflected various factional viewpoints. They pursued their own departmental interests competing with various ministries and other agencies. Every sub-system sought to influence the top leaders in the Taiwan policy process. There was a rough division of labour between them, but no clear definitions of duty. As such, they were not limited to their own fields.

Among them, the sub-system of Shanghai think-tanks headed by Wang Daohan was the most influential. It occupied a prominent position in the structure and

(“扫描中共党政军对台智库,”) *TTNN* (华讯每日新闻), May 11, 1998.

process of making Taiwan policy. It was loyal to Jiang Zemin and he entrusted Wang Daohan to deal with Taiwan issues. Wang gathered the research institutions regarding the Taiwan issue in Shanghai together, and directly reported policy proposals to Jiang. Thus the sub-system of Shanghai think-tanks became an advisory group under Jiang's direct control. Therefore, he attached more importance to the research reports of the Wang Daohan-led Shanghai think-tanks than other Beijing-based groups. The Shanghai-based think-tanks also had greater leverage than the sub-system of the Ministry of Foreign Affairs headed by Qian Qishen and the sub-system of the Taiwan Affairs Office headed by Wang Zhaoguo.⁵¹⁰

The basic ground was that Jiang made his political fortune from Shanghai with the help of Wang Daohan and was promoted from being the Shanghai party boss straight to the national party leadership. Jiang's power foundation in the central leadership was fragile in the early 1990s and, in terms of Taiwan policy making, he was believed to feel impelled to confide in his Shanghai loyalists. The formulation of PRC policy toward Taiwan had an important place in the leadership succession while these Taiwan policy-research institutions represented their own departmental interests and reflected various factionary viewpoints. In the process of leadership succession, the contenders had their own views on Taiwan policy, and those research branches of the party and government under the control of the contenders followed their stances on the Taiwan issue. In terms of strategic principles and major goals, internal dissent was present in the Taiwan policy establishment with Jiang being offered differing viewpoints and even conflicting advice. However, Jiang found it

⁵⁰⁹ . Dan Bo, "Communist China's Intelligence, External Affairs Research Organs," (淡泊, "中共的情治及外事研究机构,") *Cheng Ming Monthly* (争鸣), No.227, September 1996, p.29.

⁵¹⁰ . "A Survey of Communist China's Party, Government and Military Think-Tanks on Taiwan," ("扫描中共党政军对台智库,") *TTNN* (华讯每日新闻), May 11, 1998.

difficult to ascertain whether these Taiwan policy-research institutions affiliated with various departments were truly loyal to him. He had to be wary of falling into a trap which would likely be laid by his political opponents. Under such circumstances, he trusted the Wang Daohan-led Shanghai think-tanks more than the Beijing-based policy-research institution framework and information network concerning Taiwan. Such means of securing information and adopting advice is in conflict with institutionalisation. In an institutionalised system, the roles of the formal organisational system should be essential and leading. However, Jiang practised nepotism and relied less on the official think-tanks for Taiwan policy. Consequentially, this could lead to misunderstanding of the cross-strait situation and make his Taiwan policy goals unrealistic.

4.7. The Roles of Indirect Departments in Making Taiwan Policy

In the mid-1990s, the policy-making system on Taiwan crossed the fields of diplomacy and the military representing different departmental interests. Besides departments directly involved, it included indirectly related departments such as the Ministry of Foreign Affairs, the Foreign Affairs Office under the State Council, the Ministry of National Security, as well as the military. The military played a bigger role in making Taiwan policy than other departments but this will be dealt with in Chapter Five—*The Role of the Military in the PRC Taiwan Policy-Making*.

With regard to the CPC United Front Work Department (UFWD), it had taken charge of Taiwan affairs before the Taiwan Work Office of the CPC Central

Committee was established in 1979. Hereafter the UFWD shared in the work regarding Taiwan with the Taiwan Work Office of the CPC Central Committee. After the Taiwan Affairs Office of the State Council was established in 1988, the UFWD's authority in Taiwan affairs was further reduced. In the mid 1990s, the UFWD's influence on Taiwan policy was limited.⁵¹¹ Although the UFWD head, Wang Zhaoguo, played an important role in making Taiwan policy, this was mainly in his capacity as CTWLG member and the director of the Taiwan Affairs Office.

As for the Ministry of National Security (MNS), its duty was to provide intelligence for CTWLG in formulating Taiwan strategy. It took charge of collecting and analysing political and economic materials as well as data concerning Taiwan, and selecting and interpreting this information. Its other tasks included dispatching spies to slip into Taiwan and infiltrate Taiwanese society, especially the upper classes, and preventing the Chinese overseas democratic movement from combining with Taiwanese political forces in opposition to the communist regime. In addition, it was responsible for coping with Taiwan's agents and countering political infiltration and subversive activities by the Taiwan authorities in mainland China. The MNS's Third Bureau was in charge of Taiwan affairs and some research units, mainly the Eighth Bureau, were responsible for research on Taiwan.⁵¹² In the Mao Zedong era, the MNS held immeasurable power including responsibility for external relations, Taiwan affairs and policy. Nevertheless, in Deng Xiaoping's time, the MNS declined. Deng and other senior statesmen were politically persecuted by MNS

⁵¹¹ . For the UFWD's position in the Taiwan policy making structure and its working relations with the Taiwan Affairs Office, see Tong Zhan, "The United Front Work System and the Nonparty Elite," in Carol Lee Hamrin and Suisheng Zhao (eds), *Decision-Making in Deng's China: Perspectives from Insiders*. Armonk, New York: M.E. Sharpe, 1995, p.69.

⁵¹² . Dan Bo, "Spy Headquarters Behind the Shrubs," (淡泊, "花木掩映的间谍总部,") *Cheng Ming Monthly* (争鸣), No.233, March 1997, pp.35-36.

officials following Mao's orders in the Cultural Revolution and they believed that the MNS was the power base of their political opponents, the ultra-Leftist faction led by Hua Guofeng in the late 1970s. Since Deng defeated Hua and wielded the sceptre, he had strictly limited the MNS's power and scope. As a result, the MNS had been downgraded in the power structure of both party and government. Accordingly, in the fields of both foreign relations and Taiwan affairs, the MNS was relegated to a secondary position.⁵¹³ Since Jiang Zemin came into office, the MNS had become still less important in the formulation of Taiwan policy. Jiang had put little trust in the organisation because Qiao Shi, one of Jiang's political opponents, was influential there.⁵¹⁴ Qiao, as Secretary of the CPC Central Political and Legal Affairs Commission which was the higher authority, supervised the MNS. Despite Jiang vying with Qiao for control, the MNS did not hold a key place in Taiwan policy-making.

In contrast to the state security sector, the system of foreign affairs was considered the higher authority on Taiwan policy. It was at the forefront of handling Taiwan affairs because the issue involved a wide array of external concerns, in particular the PRC-US relationship. Thus the central leaders attached importance to it and strove to keep a firm hand on it. However, the system of foreign affairs was divided into two main sections, the Ministry of Foreign Affairs (MFA) and the Foreign Affairs Office (FAO) under the State Council.⁵¹⁵ A motley picture can be seen indicating

⁵¹³ . Dan Bo, "Communist China's Intelligence, External Affairs Research Organs," (淡泊, "中共的情治及外事研究机构,") *Cheng Ming Monthly* (争鸣), No.227, September 1996, pp.28-29.

⁵¹⁴ . Dan Bo, "Reasons Why Replaced National Security Minister," (淡泊, "国安部长易人为哪般,") *The Trend Magazine* (动向), No.152, April 1998, pp.40-42.

⁵¹⁵ . Initially, the establishment of the FAO largely resulted from a power struggle between Mao Zedong and Zhou Enlai. In the mid-1950s, Mao "attempted to weaken Zhou's position by relieving him of the foreign affairs portfolio". In February 1958, Zhou resigned from the post of foreign minister, despite retaining the premiership. Zhou's authority over foreign policy was reduced and the FAO was "newly created". After that, Mao became increasingly dictatorial. In August 1958, he

the extremely complicated, competitive situation. Obviously, the system of foreign affairs overlapped. The FAO was a cabinet-level unit and paralleled MFA. On the principle of the division of labour, the MFA placed emphasis on state-to-state relations, especially diplomatic matters. One of the key roles of the MFA was to implement foreign policy and participate in formulating external strategy, led by the Central Foreign Affairs Leading Group (CFALG). FAO had a greater focus on coordination with various ministries and local governments involved in foreign affairs. One of the main responsibilities of the FAO was to coordinate the diplomatic and national security functions of different government departments. However, both the MFA and FAO were on an equal footing and ranked as first-level subordinate bodies. They had equal rights to issue documents or instructions directly to relevant departments. Although in theory the work was divided up between them, in practice it was difficult to draw a clear line of demarcation between both responsibilities and the two departments were in conflict with each other.

In particular, the relationship between the two heads of the foreign affairs organs was complex and quite subtle. The FAO director, Liu Huaqiu, was concurrently senior Vice-Foreign Minister. This arrangement originally aimed at facilitating coordination between MFA and FAO, but unexpectedly caused more contradictions. Foreign Minister Qian Qishen concurrently held the post of Vice-Premier, comprehensively overseeing foreign affairs. In this sense, Liu could be viewed as Qian's subordinate. However, Liu was prominent in the Party's foreign policy group.

single-handedly initiated the second Taiwan Strait crisis. See Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*. Boulder, Colorado: Westview Press, 1997, pp.151-153.

As one of the limited alternate and full members of the Central Committee representing the diplomatic party organisations, he had status in the system of foreign affairs. More influentially, he was the director of the general office of the Central Foreign Affairs Leading Group (CFALG). The CFALG was chaired by Premier Li Peng while Qian served as his deputy. Liu's portfolio was mainly to assist Li in formulating the party-state's foreign policy. Meanwhile, Qian, as Politburo Member and the CTWLG deputy-head, supervised Taiwan affairs. In this regard, Liu worked under Qian's supervision while coordinating with the MFA. This situation made relations between these two departments and these two figures very complex. They competed to have a larger say in foreign and Taiwan policies. It inevitably led to conflicts between the two foreign affairs organs and their heads. The political factors, in particular the informal political elements involved and the circumstances in the foreign and Taiwan policy area, became more complicated. It seemed that such a divided design for the system of foreign affairs was institutional, but could give space to the noninstitutional elements and internal political disputes.

With regard to the function of the FAO, some reports and reviews believe that it could be comparable with the US National Security Council.⁵¹⁶ The FAO was responsible for coordinating with other government organs on foreign, defence and security policies. The MFA was dealing with daily diplomatic affairs but was not a coordinative body. While it would find it difficult to deal with the comprehensive security problems faced by the MFA, the FAO had the capacity to coordinate the external-affairs work of various agencies. The head of FAO was able to consult with

⁵¹⁶ . For more information about the relationships between MFA and FAO as well as Qian and Liu, see Liu Ning Rong and Wang Jianmin, "Will Beijing Cooperate with Washington on Nuclear?" (刘宁荣·王健民, "北京华府拟核子合作?") *The International Chinese Weekly* (亚洲周刊), December 30, 1996-January 5, 1997, pp.34-35.

minister-level officials from national defence, intelligence and state security organs when major foreign policy or diplomatic issues were raised. Liu was called the PRC foreign affairs state council minister, being viewed as a senior PRC national security official, who appeared to be like an assistant to the US President for national security affairs. Yet, the FAO was in fact not so similar to the US National Security Council as a result of its very different responsibilities. Unlike the US National Security Council, the FAO did not hold the power to work as a policy-setting body while overseeing operations. This notwithstanding, the FAO director, Liu himself, indeed played an important part in the handling of the 1995-96 Taiwan Strait crisis. When the crisis reached a critical moment in March 1996, Liu visited the US and held negotiations with American National Security Adviser Anthony Lake, Secretary of State Warren Christopher and Secretary of Defense, William J. Perry.⁵¹⁷

How does one explain such a phenomenon? This study proposes that it was the noninstitutional elements in foreign and Taiwan policy-making, born out of informal politics and power struggles, that played a larger role than institutional functions and normal politics. At that time, the MFA headed by Qian had been violently attacked by the military and had been relieved of the bulk of its duties regarding negotiations with the US and the handling of Taiwan affairs. He had no close personal ties with, or political allies with connections to Jiang despite largely implementing Jiang's interlinked policies toward Taiwan and the US. The military's attack on Qian and demand for his dismissal were in fact aimed at Jiang, in an attempt to force him to change his soft-line and toughen his stance toward Taiwan and the US. Jiang himself

⁵¹⁷ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, 30-32; Cheng-yi Lin, "Lake Held Talks with Liu to Prevent the 1995-96 Taiwan Strait Crisis From Losing Control," (林正义, "雷刘会谈预防台海危机失控,") *Central Daily News, International Edition* (中央日报, 国际版), April 10, 1997, p.3.

was politically vulnerable and struggling to defend his leadership, and so was unable to protect Qian from the attack.⁵¹⁸ In the meantime, Li Peng and other contenders for the leadership succession joined forces with the military to compel Jiang to adopt a tough policy against Taipei and Washington.⁵¹⁹ During this period, Li sought to take advantage of Jiang's political difficulties and dominate foreign and Taiwan policy in an attempt to weaken Jiang's successor position. Li and Liu had close relations. Qian would have to retire from the post of foreign minister because of his advanced age while retaining the vice-premiership in charge of foreign affairs. Amid the leadership succession struggle, Liu became a protege of Li and Li nominated Liu for next foreign minister. Meanwhile, Qian recommended Tang Jiaxuan, the present Chinese foreign minister, to succeed himself. Jiang favoured Tang.⁵²⁰ When the Taiwan crisis reached a critical point, Qian lost his dominant foreign and Taiwan policy position and Jiang found it very difficult to control the diplomatic field and Taiwan affairs. Liu followed Li, taking a tough stance on events in the Taiwan Strait during 1995-1996, which was in favour with the hard-liners.⁵²¹ Thus it was Liu rather than Qian who came forward to negotiate with the heads of the US National Security Council, State Department and Defense Department on the Taiwan crisis. Under such circumstances, Liu played a bigger role in handling the Taiwan crisis

⁵¹⁸ . For the military's attack on Qian and pressure on Jiang, see Chapter 8.2-2. The Military's Role in Pressing upon Jiang Zemin the Adoption of Strong Measures against Taiwan. For the relationship between Qian and Jiang, see Chapter 4.8. Two Centres of Taiwan Policy-Making.

⁵¹⁹ . For the joint actions of the military with the rivals for the leadership succession to pressure Jiang during the 1995-96 Taiwan Strait crisis, see Chapter 8.1. The PRC Leadership Succession and a Tough Taiwan Policy.

⁵²⁰ . For detailed information about the relationship between Li and Liu, see Li Beiping, "A Competition for the Position of Communist China's Foreign Minister," (李北平, "中共外交部长之位争夺战,") *The Front-Line Magazine* (前线), March 1997, pp.28-29; Liu Ning Rong and Wang Jianmin, "Will Beijing Cooperate with Washington on Nuclear?" (刘宁荣·王健民, "北京华府拟核子合作?") *The International Chinese Weekly* (亚洲周刊), December 30, 1996-January 5, 1997, p.35; Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, p.31.

than Qian. However, this owed more to noninstitutional elements than to normal organisational functions.

In short, the PRC's fragmented political system and the partly informally politicised policy decision-making framework made the structure of Taiwan policy-making more complicated and diffuse than it would have otherwise been. In particular, because of the partially irregular Taiwan policy process under succession politics, the leadership in Beijing found it extremely difficult to formulate and implement realistic and rational interlinked policies toward Taiwan and the US.

4.8. Two Centres of Taiwan Policy-Making

During the early and mid-1990s, there were a variety of actors and unwritten rules in the PRC Taiwan policymaking structure and process. The key problem was that there were two centres making Taiwan policy. One was in Beijing and the other in Shanghai. The Beijing centre was led by Qian Qishen. Because of his dual capacity as Politburo Member and the CTWLG deputy-head, as well as being Vice-Premier and Foreign Minister, he was in charge of the Party and government's Taiwan policy-making system while supervising foreign policy. According to bureaucratic norms, the Beijing centre held the formal power and included all the Taiwan-related official organs. It was considered the government's highest authority on Taiwan policy-making. The Shanghai centre was headed by Wang Daohan. Wang occupied a place with the decisionmakers at the core making Taiwan policy while taking charge of the direct negotiations with Taiwan as the supreme negotiator on the

⁵²¹ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York:

mainland side. Wang's specific responsibility was to participate in the Taiwan policy decision-making after retirement from the Shanghai mayoralty. Wang had his think tank for Taiwan policy and his own team for negotiations on Taiwan affairs.

The Shanghai centre was in a delicate position. As such, it is necessary to analyse Wang's subtle capacity. On one hand, he was a former senior official, who had been retired for a long time. Strictly speaking, he was not within the bureaucratic system because he was a non-permanent bureaucrat. The Shanghai centre headed by Wang was extraofficial and not included in the formal organisational framework concerning Taiwan affairs. Nevertheless, Wang was assigned to engage in making Taiwan policy because of his close personal relations with Jiang Zemin.⁵²² Born in 1915 he had been relieved of his post of Shanghai mayor in 1985. Wang gave guidance and support to Jiang and helped him rise through the ranks of Communist leadership. When Wang stepped down as mayor, he highly recommended Jiang, who craved for the position, as an excellent successor. With Deng Xiaoping's approval, both Wang and Jiang obtained what they wished. Jiang had worked under Wang's leadership for a long time. Wang had held the deputy ministers' position of the First Ministry of Machine-Building Industry and the Ministry of Foreign Economic Relations, as well as the post of first deputy-director of the State Import and Export Administration and the State Foreign Investment Administration, from 1949 to 1980. In the earlier stages, Jiang served on Wang's subordinate staff and became his assistant in later days. Wang was Jiang's chief political benefactor throughout his career. He fostered

PublicAffairs, 1999, p.31.

⁵²² . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.248.

Jiang's rise to the inner circle of power, of which the Shanghai mayoralty was one key step. Wang and Jiang had a deep personal bond and a close friendship.⁵²³

Wang held official positions despite the fact that he was no longer a public servant. The PRC was slowly moving to an open and modern state under huge pressures from both inside and outside the country, but it remained a state ruled by man rather than by law. A retirement system had been established since the early 1980s. However, this system had proved imperfect and its rules had not been strictly complied with. For example, Deng Xiaoping retired in the late 1980s, but he remained in possession of the actual supreme power until his death in 1997. According to the regulations, leaders at the level of ministry, major city or key province must retire after the age of sixty-five. Wang had been retired for a long time because of his advanced age. Nevertheless, Jiang broke the regulations and appointed Wang as a member of the central Taiwan work leading group and the president of the association for relations across the Taiwan Straits, despite it appearing to be in the nature of a part-time job. Wang's assignment to be in charge of Taiwan policy was a political deal rather than one based upon professional considerations. It was both indicative of Jiang's political repayment to Wang and his confidence in him. Wang had no previous experience or expertise on Taiwan. When Wang's appointments as president of ARATS in 1991 and as a member of CTWLG in 1993 were published, the unexpected news caused surprise on both sides of the

⁵²³ . For more information about the relationship between Wang and Jiang, see Wang Mingyi, *Uncertain Straits: When the Republic of China Met with the People's Republic of China* (王铭义, 不确定的海峡—当中华民国碰上中华人民共和国). Taipei: The Times Cultural Publishing Enterprise Ltd. (时报文化出版企业股份有限公司), 1993, pp.313-317; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.35, 38, 60-61, 66, 75, 94, 115-120, 133-135, 334.

Taiwan Strait.⁵²⁴ Wang had lived in Shanghai all year round but Jiang gave him a greater authority in making policy and handling affairs on Taiwan. Jiang told many visitors that he had a good opinion of Wang and counted on him in the fields of PRC policies toward Taiwan and the United States.⁵²⁵ Wang was viewed as Jiang's mouthpiece on Taiwan policy, while also having a great influence on Jiang in Taiwan affairs.⁵²⁶ Wang's statements about Taiwan affairs had thus drawn much attention.

The fundamental reason why there were two centres for the making of Taiwan policy is that Jiang had political difficulties in dominating Taiwan policy-making in the transitional period succeeding Deng. It is a tradition that the paramount leaders leave the power centre in Beijing for Shanghai, establishing a new strategic base to launch a counterattack on their political opponents when their absolute authority is challenged. Between 1965 and 1966, Mao found it very difficult to start the Great Proletarian Cultural Revolution in Beijing so he went to Shanghai, mobilising the movement and relying on his trusted followers in the CPC Shanghai Municipal Committee. Between 1991-1992, Deng was unable to carry out his new policies, shifting the focal point from the conservative line of anti-peaceful evolution (anti-West) and deflation to the radical approach of re-opening the door to foreign countries and starting a new upsurge of economic development. As such, he also

⁵²⁴ . Wang's appointment as member of the CTWLG in 1993 was published by the PRC organ, *The Wenhui Daily* (文汇报) in Hong Kong rather than announced by the PRC official body. See Wang Mingyi, *Uncertain Straits: When the Republic of China Met with the People's Republic of China* (王铭义, 不确定的海峡—当中华民国碰上中华人民共和国). Taipei: The Times Cultural Publishing Enterprise Ltd. (时报文化出版企业股份有限公司), 1993, pp.313-314.

⁵²⁵ . "Jiang Zemin Will Meet Koo Chen-fu," ("江泽民将会见辜振甫,") *TTNN* (华讯每日新闻), October 18, 1998.

⁵²⁶ . Luo Bing, "Wang Daohan's Version of "One China" Caused a Disturbance," (罗冰, "汪道涵一个中国惹风波,") *The Trend Magazine* (动向), No.148, December 1997, p.11; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore, New York: Prentice Hall, 1999, pp.14-15, 172.

went to Shanghai and the south preparing public opinion for his new political campaign.⁵²⁷

The existence of two Taiwan policy-making centres indicates that Jiang followed Mao and Deng's behaviour in defending power and breaking through the barriers of making and implementing policies. In Jiang's case, he did not have the established authority of Mao and Deng. In the early period of his rule, Jiang did not have secure hold on Beijing's bureaucratic organisations because he was viewed as a political lightweight and a transitional figure. Thus, Jiang strove to cultivate political support within the party, government and military to strengthen his political influence over the central authorities. He used his tenure as mayor of Shanghai, building an extensive connection network, called the "Shanghai faction". He exploited his position and power by promoting and moving members of the "Shanghai faction" into departments under the CPC Central Committee and the State Council. While relying on this "Shanghai faction" in consolidating his leading position in the central apparatus, he still had to seek support from his power base of Shanghai. There were a lot of his trusted followers there and he believed it was its stronghold. In particular, Wang was his one-time patron, who had helped him to consolidate power and advised him on statecraft. The national strategy toward Taiwan was very sensitive and took an important place in the power struggle for leadership succession. For Jiang, such a major matter needed to be entrusted to his henchmen rather than relying on the professional officials inside formal institutions. Thus, it was Wang who became an advisor to Jiang on Taiwan affairs and Shanghai played a major role in

⁵²⁷ . Suisheng Zhao, "Deng Xiaoping's Southern Tour: Elite Politics in Post-Tiananmen China," *Asian Survey*, Vol.XXXIII, No.8, August 1993, pp.739-756.

making Taiwan policy by entering into a rivalry with the Beijing centre headed by Qian Qishen.

The Beijing centre dominated the Taiwan policy establishment in the central government. It played an essential, but not decisive, role in the formulation of Taiwan policy. In light of norms and regulations, it was responsible for providing the basis for the party's central leadership on the PRC strategy toward Taiwan. Usually, it supervised drafting and readjusting Taiwan policy and submitted results and options to the CTWLG and the Politburo and its Standing Committee to discuss and determine. It also oversaw Taiwan affairs and policy implementation nationwide, while coordinating cross-strait relations management among all the departments concerned. Theoretically, it was the government's highest authority on Taiwan policy-making because it represented the central authorities while the Shanghai centre was the second tier of authority. Because of this legitimacy, it was in a much better position than Shanghai. The Shanghai centre although closely tied with Jiang, was far removed from Beijing. However, despite being an informal organisation, it sought to play a major role in Taiwan policy. Its working range was very wide, stretching from the collection of information, research on the Taiwan issue, brains-trust of the PRC-US disputes over Taiwan and major Taiwan policy, even to the handling of cross-strait relations and spokesman for the central authorities on some occasions. Backed and directly instructed by Jiang, it occupied an important place in the PRC policy-making system on Taiwan. Without being authorised by the party and state, the existence and activities of the Shanghai centre demonstrated the noninstitutional elements of Taiwan policy-making based on informal politics, in conflict with the formal organisational system's functions.

Competition and conflict between the two centres making Taiwan policy lay in the fact that both points of departure were fundamentally different. Qian Qishen clung to established guiding principles and wanted to make and implement an orthodox policy on Taiwan. He had no close personal ties with Jiang despite short-term historical affiliations.⁵²⁸ It seemed that the cautious bureaucrat, did not bind himself together with Jiang in succession politics despite being involuntarily involved. Probably the bitter lessons of past succession struggles led to Qian wishing to stay aloof from the contention between Jiang and his rivals. Generally speaking, having few intentions to serve Jiang's personal political considerations and make innovations, he was believed to be inclined to a conservative policy on Taiwan and gradual development of cross-strait ties leading to eventual reunification.

In contrast to sticking to the conventions of the Beijing centre led by Qian, the politically dynamic Shanghai centre headed by Wang sought to break through Beijing's stereotyped routine. Obviously, the Shanghai centre aimed at establishing Jiang's legitimacy and prestige as supreme leader through great achievements in Taiwan policy and affairs. Jiang was highly dissatisfied that no major breakthrough had been achieved over Taiwan despite several years of on-off talks. In attempting to satisfy Jiang, the Shanghai centre was enterprising and strove for an early solution of the Taiwan problem by trying to bring forth original ideas. It showed goodwill toward Taipei, adopting a more moderate stance than the Beijing centre. Trial balloons were launched from Shanghai to test reactions from Taiwan and international opinion in order to create favourable and effective Taiwan policy options for Jiang. Wang led his team in continuously proposing new tactics on

⁵²⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of

Taiwan, many of which suggestions were adopted by Jiang. It sought to make greater contributions to the consolidation and promotion of Jiang's status by associating him with enlightened and future-oriented policies on Taiwan.

With such a background, Jiang took the political offensive and announced a new Taiwan policy in early 1995, called Jiang's eight propositions on Taiwan. Jiang declared that the PRC would not militarily threaten Taiwan, appealing to Chinese on both sides of the Taiwan Strait not to fight with each other and to strive for a peaceful reunification of China.⁵²⁹ The Shanghai centre played a larger role than the Beijing centre in mapping out Jiang's moderate eight point policy toward Taiwan.⁵³⁰ In Jiang's handling of the 1995-96 Taiwan Strait crisis, Wang and his team were trusted more than Qian and his Party or the rest of the government's Taiwan policy-making system in providing information and advice. For example, at an early stage of Lee Teng-hui's US visit, Jiang's decisions basically echoed Wang's advice and assessment of the political situation.⁵³¹ The Beijing centre was overshadowed, but strove to preserve its own legitimacy and position of primacy. As such, it adopted an unfavourable attitude to the Taiwan policy proposals put forward by the Shanghai centre in its eagerness to initiate a new phase in cross-strait relations and move toward immediate reunification.

California Press, 1998, p.133; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.28-29.

⁵²⁹ . Jiang Zemin, "Continue to Promote the Reunification of the Motherland," (江泽民, "为促进祖国统一大业的完成而继续奋斗,") January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.231-235.

⁵³⁰ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.172; Lin Wenzheng, "Mr. Qiu Jinyi Revealed the Inside Story of the Koo-Wang Talks of 1993," (林文政, "邱进益揭开辜王会谈秘辛,") *The Journalist (新新闻)*, October 18-24, 1998, p.44.

⁵³¹ . Ruan Ming, *National Reunification: Project of Lasting Importance* (阮铭, *两岸统一 百年大计*). Taipei: The Rice Field Publishing Ltd. (稻田出版有限公司), 1996, p.96.

On the Taiwan policy issues, Wang and Qian took differing stances. By and large, Qian's Taiwan policy statements were more reflective of the PRC government's position than his personal opinion. In particular, when the top leaders were in the process of internal policy debate and political disputes, he had to maintain the established official stance. In contrast to Qian, Wang spoke for Jiang on Taiwan affairs. When Jiang had some new ideas involving delicate and sensitive issues not ripe for publication, he had no way to personally promote them, but Wang could raise them in his ARATS capacity. However, Wang also promoted policy approaches of his own conception. After recommending ideas to Jiang and gaining approval, Wang published them to 'fly a kite' domestically, while collecting responses from Taipei and the major powers, particularly the US. In doing so, he wished for prompt discussion and consensus-building among the party's central leaders to reshape Taiwan policy in some respects. However, while Wang had become the focus of news reports in Taiwan, Hong Kong and the international media, his remarks were not viewed as representing an official Chinese statement. Instead, Qian was regarded as the official spokesman on Beijing's Taiwan policy. This complicated the PRC position on cross-strait relations bringing about troublesome problems and sending some mixed signals to Taipei.

The focal point of contention between Wang and Qian was whether to revise the traditional concept of 'One China' or to seek a more moderate Taiwan policy for the promotion of earlier reunification. In November 1992, a consensus on the 'One China' issue was reached between the SEF and ARATS. Both agreed to adhere to the 'One-China' principle despite differing over the political definition.⁵³² According

⁵³² . For more information about the consensus, see Chapter 3.3-3. Mainland Policy.

to Taipei, the ARATS declared that it had made a concession by respecting and accepting the SEF's suggestion in reaching the consensus.⁵³³ This demonstrated that Wang preferred to adopt a more flexible stance to try to bring the two sides together, in order to woo Taipei into softening its stance against immediate reunification. However, Qian adopted an equivocal attitude toward the consensus. He continued to interpret 'One China' as meaning the PRC. His Party and the government's Taiwan policy-making system reiterated its past stand on the substance of 'One China'. In August 1993, a white paper was published reasserting Beijing's long-standing claim that there is only 'One China', Taiwan is part of it and that the PRC is the only legal government of all China.⁵³⁴ This was viewed by Taipei as violating the 1992 consensus, and was not expected to be conducive to the development of cross-strait relations.⁵³⁵ Before mid-1995, Qian shunned the consensus but did not publicly deny it. Soon after Lee visited the US in June 1995, Qian did deny the original consensus that both sides upheld the 'One-China' principle but each had a different understanding of the meaning of 'One China'. On June 22, Qian published a seven-point statement to govern Taiwan-Hong Kong relations, which indicated that he regarded Beijing as the central government and degraded Taipei as a local government, equivalent to Hong Kong. He pointed out emphatically the PRC government's official position on the 'One China' principle and asked "the Taiwan

⁵³³ . See the Mainland Affairs Council, the Executive Yuan, Republic of China, "Major Events Across the Taiwan Straits (January 1912 to December 1999)," on the World Wide Web at <http://www.mac.gov.tw/english/chronology/scemap.htm>.

⁵³⁴ . Taiwan Affairs Office & Information Office, State Council, the People's Republic of China: "The Taiwan Question and Reunification of China," (国务院台湾事务办公室/国务院新闻办公室, "台湾问题与中国的统一,") August 1993, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, p.256.

authorities to make a clear analysis of (the) current situation".⁵³⁶ By intending to treat Taiwan the way Beijing had treated Hong Kong and demanding Taipei accept a subordinate position, he, in fact, denied the 1992 consensus, imposing on Taipei Beijing's own version of 'One China'. The remarks about the 'One China' principle and Taiwan-Hong Kong relations became a keynote of Qian in his harsh criticism of Taipei during late 1995 and early 1996.⁵³⁷ Under such circumstances, Xinhua News Agency, Beijing's official medium declared that Beijing insisted on Taipei's acceptance of the PRC version of the 'One-China' principle as a precondition to the resumption of bilateral talks. However, Taipei rejected this, stating that it was unacceptable.⁵³⁸

By comparison, Wang adhered to the 1992 consensus, seeking to express the principle of 'One China' in a new form.⁵³⁹ On several informal occasions, even as the Taiwan crisis reached its height in January 1996, he tried to revise the orthodox policy, in particular the traditional political definition of 'One China', in an attempt

⁵³⁵ . The Mainland Affairs Council, the Executive Yuan, Republic of China, "Major Events Across the Taiwan Straits (January 1912 to December 1999)," on the World Wide Web at <http://www.mac.gov.tw/english/chronology/scemap.htm>

⁵³⁶ . Christie Su, "With Koo-Wang Talks Postponed, Taiwan-Hong Kong Issue Arises," *The Free China Journal*, June 30, 1995. For the full text of Qian's seven-point statement, see The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室 / 国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.261-262. For more information about Beijing's denial of the 1992 consensus after Lee's US visit, and Qian's Party and the government's Taiwan policy-making system's reiteration of its stance on the substance of 'One China', see Wu Tiandai, "Taiwan Is the Lighthouse of the Chinese Nation in Chinese Mind's Eyes," (吴天岱, "台湾—中华民族的灯塔,") *Cheng Ming Monthly (争鸣)*, No.223, May 1996, p.38; Li Qihong, "Former MAC Chairman Su Chi: Chen Shui-bian Denied the 1992 Consensus Aiming at Repudiating the Established Basis of Cross-Straits Relations," (李气虹, "前陆委会主委苏起: 陈水扁否定九二共识是想推翻两岸关系既有的基础,") *United Morning Daily (联合早报)*, November 7, 2001; "News Briefing by Chinese Foreign Ministry," *Beijing Review*, July 17-23, 1995, p.20.

⁵³⁷ . For example, on this basis, he demonstrated his tougher stance on Taiwan in the middle ten days of March 1996. See "Qian On World and Regional Issues," *Beijing Review*, March 25-31, 1996, pp.7-9.

⁵³⁸ . "How ROC Tries to Cope With Peking's Behaviour," *The Free China Journal*, November 10, 1995.

to ease cross-strait tension to reduce the heavy pressure on Jiang from his political rivals and the military. He sought to redefine the 'One China' principle with a neutral term, not subject to any one-sided interpretation, in order to shelve debates on the meaning of 'One China' and create favourable conditions for reunification. He considered that 'One China' referred neither to the PRC nor to the ROC, but to a reunified China that would be commonly created by compatriots on both sides of the Taiwan Strait. He described the political situation between Taiwan and mainland China as more "China's division" than "a divided China". The description of "China's division" was close to Taiwan's idea of "a divided China", reflecting a new approach by Wang toward Taiwan. Wang's opinion indicated that he believed that Taiwan's political status could be negotiated under the 'One China' principle and Beijing might accept a new form of government if Taipei agreed to reunification talks. This demonstrated his unremitting efforts for a more flexible treatment of Taipei's status and a more pragmatic solution for reunification in order to preserve and promote Jiang's leadership. Qian, however, unlikely to agree with Wang's approach, could only maintain the orthodox policy on Taiwan. He had been hurt by the outburst of the anti-"Taiwanese separatists" and anti-"American hegemonists" among senior military officers following Lee's US visit. In the struggle for power in the Zhongnanhai that was under way, the leaders had become more aggressive in their Taiwan policy. In order to win the confidence of the military and preserve his own position for foreign and Taiwan affairs, he had to maintain the old form of 'One China', indicative of a more conservative Taiwan policy.⁵⁴⁰

⁵³⁹ . Luo Bing, "Wang Daohan's Version of "'One China'" Caused a Disturbance," (罗冰, "汪道涵一个中国惹风波,") *The Trend Magazine* (动向), No.148, December 1997, pp.10-11.

⁵⁴⁰ . Qian had come under heavy pressure from the military following Lee's US visit. His resignation as foreign minister was demanded by reason of his weakness towards Taipei and Washington. He

The divergences between Wang and Qian over Taiwan policy had some undesirable consequences for cross-strait ties. In particular, their conflicting remarks on the 1992 consensus confused the PRC position on Taiwan affairs, affecting Taipei's confidence in Beijing. In Taipei's eyes, Beijing unilaterally breached the 1992 consensus by forcibly placing Taiwan within the framework of PRC sovereignty.⁵⁴¹ Taipei accused Beijing of a lack of sincerity and goodwill in its observation of the inconsistency. In terms of the definition of 'One China', Taipei argued that the original oral agreement permitted the two sides to have their own explanations of the 'One China' concept. According to SEF Chairman Koo Chen-fu, Taipei had "never deviated from the 'One-China' principle", refuting Beijing's accusation that Taipei was creating 'two Chinas' in the world community. Although Taipei believed that Beijing broke its promise and violated the consensus, it continued to pursue unification in light of its own understanding of 'One China'. Taipei had maintained that the 'One China' concept referred to the future rather than the present. The two sides were not yet unified, but were equals, separately ruled. If Taipei accepted Beijing's view, then it would downgrade itself to the level of a local level government body within the PRC. Thus Taipei rejected the principle of 'One-China' on Beijing's terms. Also, after Beijing suspended regular cross-strait talks in retaliation for Lee's US visit, Taipei refused to accept Beijing's precondition that

was forced to make a self-criticism for his mistakes in handling major Taiwan issues. See Chapter 5.6. Evaluation of the Military's Influence upon Taiwan Policy-Making.

⁵⁴¹. For Taipei's accusation of Beijing's backtracking from the 1992 consensus and imposition of its view upon Taipei, as well as Taipei's justification of its adherence to the 'One-China' principle from 1993 to 1996, see the Mainland Affairs Council, the Executive Yuan, Republic of China, "Major Events Across the Taiwan Straits (January 1912 to December 1999)," on the World Wide Web at <http://www.mac.gov.tw/english/chronology/scemap.htm>; Christie Su, "Taipei Acts to Reset Straits Talks But Peking Again Rebuffs Move," *The Free China Journal*, May 3, 1996; Sofia Wu, "Taipei, Beijing Need New Framework for Relations: MAC Chief," *CNA*, June 13, 2000; Christie Su, "Unification Guidelines Not Rigid: MAC Chief," *The Free China Journal*, August 16, 1996; Christie Su, "ROC Reasserts Policies on 'One-China', US Relations," *The Free China Journal*, July 21, 1995.

bilateral dialogue could only resume if Taipei accepted Beijing's version of the 'One-China' principle. In particular, when Beijing intimidated Taiwan by force, Taipei was determined not to concede political ground in the face of military threats.

Beijing's inconsistency on the consensus, and misinterpretation of it, resulted from informal domestic political factors. This was resisted by Taipei, producing adverse effects on the relations between the mainland and the island, which caused new disputes and led a standoff. More unfavourably, it deepened Taipei's doubt about Beijing's sincerity in developing cross-strait relations and real intentions regarding reunification.

The divisiveness between Wang and Qian highlighted the wide divergence of views which prevailed among the PRC Taiwan policy-makers that they were incapable of coordinating because of mechanism problems and issues of informal politics. Thus, it can be seen that each policy-making centre tried to make its own Taiwan policy. This inevitably led to competition and conflicts between the two centres as each sought a bigger say in formulating PRC policy toward Taiwan. This made the policy process abnormal and policy principles and goals changeable. For instance, Jiang's eight propositions on Taiwan appeared to offer reasonable grounds for a compromise but, under the circumstances of succession politics, only half a year later a 180-degree turn was made. Under the pressure of his rivals and the military, Jiang was forced to adopt a tough stance on Taiwan. On the grounds of Lee's US visit, the PRC unilaterally suspended all cross-strait negotiations and launched a military intimidation of Taiwan. Therefore, the two centres hindered the procedural and rational establishment of a Taiwan policy. The irregular process of Taiwan policy-making contributed to its low effectiveness, and hindered the accomplishment

of its goals. It also led to less consistency and credibility in the PRC decision-making on Taiwan's affairs, which was harmful to its long-term policy objectives. Such inconsistent and unstable policy behaviour exposed the contradictory elements, institutional and noninstitutional, within the PRC Taiwan policymaking structure and process. Finally, it suggests that there were strong links and interactions between succession politics and Taiwan policy, affecting the course of Taiwan policy formulation. Therefore, it is necessary to explore the relationship between the leadership succession problem and the Taiwan policy process.

Chapter Five

The Role of the Military in the PRC Taiwan Policy-Making

5.1. The Military's Position in the Political System and Decision-Making

Before discussing the military's influence upon Taiwan policy-making, it is necessary to clarify its position in the PRC power structure and general framework of decision-making. The military has played a pivotal political role since 1949. Although it has lost some of its importance since 1978 with the country's strategic shift from war preparations externally to domestic economic priorities, it is still the most powerful political force in the country. The military views its main role as safeguarding the country's security, unity and stability, including coping with internal unrest that could threaten its own position of power and privilege and the Communist regime. Domestically, the key concern of the PRC armed forces is the suppression of opposition political forces within the country. Therefore, the military is much more than just an organisation of armed forces, it is the source of power for the regime.

The military's position in the political system of the PRC is based on the complex power relationship between the Communist party and the military. Politically, both party and army need with each other. The army supports and safeguards the one-party rule of the Communist Party of China (CPC), whilst the party provides the army with privilege and regards it as a guardian. Without the army the party would lose control of the polity. Nominally, the CPC and its paramount leaders have control over the army by way of their power to appoint and place military officers. However, to a great extent, and especially at the critical moment of a power struggle inside the CPC, the top leaders of the People's Liberation Army (PLA) decide on personnel themselves and act in their own self-interest. Therefore, whether CPC paramount leaders have control over the PLA is questionable. By far the biggest

ongoing concern for the CPC paramount leaders is loyalty of the military to the civilian leadership.⁵⁴²

The military has a great influence upon PRC politics. It has the dual function of social and political service; especially it is positioned to act as a kingmaker and a key decision-maker. Whenever either internal conflict or external crises break out, the PLA comes to the fore to stabilise the political situation and, where appropriate, decide who should become the new ruler. The political survival of leaders depends on the military's support, because it is always involved in any power struggle inside the party and can play a leading role in deposing a leader. In particular, leadership succession provides the military with opportunities to greatly influence politics and policy decision-making.

With regard to the military role and influence in politics and policy decision-making, Jonathan D. Pollack believes that "the PLA remains an extremely powerful bureaucratic actor" and plays a major domestic political role. He suggests that "the persistence of traditional norms amidst a serious, sustained effort to professionalize the Chinese military establishment seems likely to remain a continuing source of long-term conflict within the policy-making process."⁵⁴³ However, in recent years, some scholars have argued that "the PLA officer corps since 1978 has become more 'professionalized'."⁵⁴⁴ They believe that the PLA is developing more professional-type networks and that such trends are prevailing throughout the army. Nevertheless, this study argues that although military professionalism has developed rapidly in recent years, the PLA is still a highly politicised army. Indeed, in the mid-1990s, the political role of PRC armed forces remained unchanged. The National Defence Law, legislated by the PRC parliament in the mid-1990s, formalised the army's "dual

⁵⁴² . According to Michael D. Swaine, the PLA status in the polity may be described as a "state within a state". See Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.12, 54-55. In addition, Andrew J. Nathan and Robert S. Ross believe that "the PLA was in fact a self-contained organisation". "There is even some question whether Jiang, despite his formal authority, has been able to exercise full authority over senior military officers." See Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, p.141.

⁵⁴³ . See Jonathan D. Pollack, "Structure and Process in the Chinese Military System," in Kenneth G. Lieberthal and David M. Lampton (eds), *Bureaucracy, Politics, and Decision Making in Post-Mao China*. Berkeley: University of California Press, 1992, pp.169-172.

⁵⁴⁴ . James C. Mulvenon, *Professionalization of the Senior Chinese Officer Corps: Trends and Implications*. Santa Monica: Rand, 1997, p.1.

function” of defending the nation from invaders and ensuring social and political domestic stability.⁵⁴⁵ Although the professionalization of the army is now a general trend, it is acknowledged that “there is little evidence to suggest that the PLA is withdrawing from politics”.⁵⁴⁶

The military continues to play an important role in party and governmental policy-making processes. In the CPC Central Committee of 1995-96, elected by the Fourteenth Party Congress in 1992, 24.3 percent of the membership represented the military establishment.⁵⁴⁷ The military also had its own two representatives out of a total of 20 in the ruling CPC Politburo.⁵⁴⁸ More importantly, in the mid-1990s the Vice-Chairman of the Central Military Commission, Admiral Liu Huaqing, was a member of the permanent committee of the party’s Political Bureau, which groups the CPC regime’s most powerful leaders and makes all important political decisions, as well as formulating principles and policies. He was the only military official among the seven members of the CPC Politburo Standing Committee, but he had a strong voice.⁵⁴⁹ Traditionally, the military has taken a positive role in the formulation of domestic and foreign policies.

The military sees itself as the defender of national unity, trying to hold together China’s separate islands and remote ethnic frontiers. Taiwan affairs constitute an important element of both national reunification and foreign policy. More importantly, the PRC policy towards Taiwan has a direct bearing on national defence, especially military strategy, and even war and peace. The military insists

⁵⁴⁵ . A bill “Law on National Defence of the PRC” was submitted to the NPC in 1996 and was adopted by the NPC in 1997. This law also stipulates the relationship between the PLA and the CPC. See Mel Gurtov and Byong-Moo Hwang, *China’s Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998, p.34; James Mulvenon (ed.), *China Facts & Figures: Annual Handbook*, Vol. 23, 1998. Gulf Breeze, Florida: Academic International Press, 1998, pp.90-93.

⁵⁴⁶ . See James C. Mulvenon, *Professionalization of the Senior Chinese Officer Corps: Trends and Implications*. Santa Monica: Rand, 1997, p.76, and its book review by Jianhai Bi, *The China Journal*, Issue 41, January 1999, pp.222-223.

⁵⁴⁷ . Li Cheng and Lynn White, “The Army in the Succession to Deng Xiaoping: Familiar Fealties and Technocratic Trends,” *Asian Survey*, Vol. XXXIII, No.8, August 1993, p.758.

⁵⁴⁸ . “Quarterly Chronicle and Documentation (compiled by Robert F. Ash),” *The China Quarterly*, No. 133, March 1993, p.194.

⁵⁴⁹ . Compared with that there was no professional serviceman in the CPC Politburo Standing Committee of the Thirteenth Central Committee in the late 1980s, the military’s representation in the ruling circle significantly increased in the early and mid-1990s. See You Ji, “Missile Diplomacy and PRC Domestic Politics,” in Greg Austin (ed.), *Missile Diplomacy and Taiwan’s Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.43.

that it will firmly protect the country's sovereignty and territorial integrity. The military has time and again threatened the use of force if Taiwan declared independence or in the event of a foreign invasion of the island. More seriously, an independent Taiwan or long-term division from mainland China would encourage ethnic separatism in the country's border regions such as the Muslims in western China. The military wants to play its role as China's central unifying structure and thus it is extremely important in seeking to understand how the PRC Taiwan policy is made.

5.2. The Military Leadership and Institutions Involved in Taiwan Policy-Making

Before analysing the major PLA units involved in Taiwan policy making, it is necessary briefly to view the military's general organisational structure and decision-making system.⁵⁵⁰ At the top level, the Central Military Commission (CMC) of the CPC is the country's supreme body in charge of the armed forces, and the highest military policy-making body. The state CMC is bracketed with the party CMC, as both organisations consist of the same people. The PRC leadership has maintained dual, identical party and state military commissions since the 1980s in order to enhance the legitimacy of the CPC regime with a nominal governmental role in administering the army.⁵⁵¹ Between 1995 and 1996, the then chairman of the CMC of both party and state was Jiang Zemin, who was also both Communist Party chief and head of state. The CMC has overall responsibility for military affairs, thereby centralising power on major issues. Its main duty is to take decisions on defence strategy and national security. For example, it has the power to initiate the use of force, despite the fact that the power to decide on questions of war and peace is nominally exercised by the National People's Congress and its Standing Committee.

⁵⁵⁰ . For a chart of the basic organisational structure of the PRC military, see Michael D. Swaine, *The Military & Political Succession in China: Leadership, Institutions, Beliefs*. Santa Monica, Ca: Rand Corporation, 1992, p.245. For an overview of the military's decision-making structure, see Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996.

Thus, it has the real power to take a final decision on whether to use military means against Taiwan. However, the CMC does not supervise all military affairs. Matters such as defence planning and the army's training are assigned to the PLA three general departments to oversee.

There is a close linkage between the CMC and the Central Taiwan Work Leading Group (CTWLG). Taiwan policy is largely military in nature. Jiang Zemin's assumption of a leading position in the CTWLG originated in part from his chairmanship of the CMC. Such circumstances established a connection between defence policy and Taiwan policy, more generally providing the military plenty of room to become involved in a range of critical Taiwan policy decisions. The PLA had a representative, Lieutenant General Xiong Guangkai, deputy chief of the general staff of the army, on the CTWLG, strengthening the military's ties with the top Taiwan policy makers. At a time when Jiang did not have complete control of Taiwan policy, the military's role in shaping the country's strategic objectives was particularly significant, thereby increasing its leverage.⁵⁵²

Four CMC vice-chairmen were professional servicemen, Admiral Liu Huaqing, General Zhang Zhen, General Zhang Wannian and General Chi Haotian.⁵⁵³ Admiral Liu and General Zhang Wannian were viewed as the key defence strategists, and were known to be involved in, and influence, Taiwan policy.⁵⁵⁴ First Vice-Chairman Liu Huaqing was also concurrently a member of the CPC Politburo Standing Committee in charge of day-to-day military affairs. He had a decisive role in discharging the CMC responsibilities. Second Vice-Chairman General Zhang Zhen had a low public profile. His military career after 1949 was served mainly as a senior

⁵⁵¹ . Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998, p.14.

⁵⁵² . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.40-43; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.61; Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.27, n19; p.28, n20.

⁵⁵³ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.15-16.

⁵⁵⁴ . Harlan W. Jencks, "Wild Speculations on the Military Balance in the Taiwan Straits," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, p.146; Tai Ming Cheung, "Chinese Military Preparations Against

official leading the defence science, technology and education organisations rather than as a commander directing operations. He was not regarded as an active participant in Taiwan policy making.⁵⁵⁵ General Zhang Wannian who had real power despite being fourth in the top military hierarchy, had served previously as chief of the PLA general staff. He was good at mapping out strategy and tactics while also experienced as a field commander. He planned and executed the military exercises held during the Taiwan Strait crisis of 1995-96.⁵⁵⁶

General Chi Haotian served concurrently as Minister of Defence. Although visible internationally as the top PRC military leader, Chi was less powerful than General Zhang Wannian, or the two veterans, Admiral Liu Huaqing and General Zhang Zhen.⁵⁵⁷ This suggests that the Ministry of National Defence (MND) is not an organ of real power, and exists in name, rather than in reality. It was set up in light of international custom, performing mostly protocol and ceremonial functions, such as liaising with foreign military units. The important defence decisions are made at the CMC, while routine military administrative affairs are handled by three general departments of the PLA.⁵⁵⁸ Chi did not play a leading role in national security affairs or military strategy. His career was mainly served as a political commissar, specialising in military political work. As a state councillor and Minister of National Defence, Chi oversaw military research and development while coordinating relations with the administrative departments. Chi was not as

Taiwan Over the Next 10 Years," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, pp.61-62.

⁵⁵⁵ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.18. Although, according to Tai Ming Cheung, "Zhang Zhen is believed to oversee the formulation of strategic doctrines toward Taiwan", Cheung does not offer any evidence to support his opinion. See Tai Ming Cheung, "Chinese Military Preparations Against Taiwan Over the Next 10 Years," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, p.62.

⁵⁵⁶ . Before launching the first round of military exercises and missile tests from July 21-28, 1995, Zhang Wannian delivered an internal speech indicating the aims of these operations. The speech was transmitted to officers by all services and arms and seven major military regions. See Luo Bing, "The Inside Information on the Test of Firing Missiles," (罗冰, "导弹试射内情,") *Cheng Ming Monthly*(争鸣), No.214, August 1995, p.6. When the Taiwan crisis reached a critical moment, a "Southeast War Zone" was set up on March 10 1996. It was commanded by Zhang Wannian. See Luo Bing, "The Inside Information on the Southeast War Zone of Communist China," (罗冰, "中共东南战区内情,") *Cheng Ming Monthly*(争鸣), No.222, April 1996, p.10.

⁵⁵⁷ . On the interpersonal and working relationship between the four CMC vice-chairmen, see Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.43.

⁵⁵⁸ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.34-36; p.44, n16.

influential as the other three CMC vice-chairmen in the Taiwan policy process, despite participating in making the major decision to launch the military exercises intimidating Taiwan in 1995-96.

The PLA three general departments, the General Political Department (GPD), the General Logistics Department (GLD) and the General Staff Department (GSD), represent a second tier of the military leadership.⁵⁵⁹ The GPD is a general branch of the CPC within the PLA. It is responsible for overseeing political education, discipline and the supervision of officers and soldiers. The GLD is in charge of defence finance, military supplies and PLA-related construction and properties. The GSD is the highest organ in charge of PLA military matters, directing troop movements and operations. It plays a key role in the policy-making process particularly regarding war readiness and mobilisation. Among the three general departments, the GSD plays a larger role than the GPD or the GLD in influencing the formulation of defence strategy and Taiwan policy.⁵⁶⁰ The heads of the GPD, the GLD and the GSD are all members of the CMC. Although the directors of the three general departments do not participate in all critical decision-making, they have a strong voice and their advice is taken into account. Of the directors and deputy-directors of three general departments, the chief of the general staff and deputy chiefs have a predominant role in the national security affairs and Taiwan policy making.

This study proposes that the GSD and its chief and deputy chiefs are more influential than the GPD and the GLD and their directors and deputy-directors in the military's approach to national security affairs and Taiwan policy.⁵⁶¹ This argument

⁵⁵⁹ . The PLA had three general departments between 1995 and 1996, but has four general departments now. In 1998 the PRC Government announced that it had added a fourth department to the army. The General Equipment Department (GED) is a new department to oversee the PLA weaponry, equipment, and armaments acquisition in particular. See Edward Chen, "Mainland China Deploying Over 400 Missiles Opposite Taiwan: Report," *CNA*, August 8, 2000.

⁵⁶⁰ . Michael D. Swaine believes that "of the three general departments and other executive agencies of the military affairs system, the GSD has by far the greatest input into the national security and defence policy process." See Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.46-47.

⁵⁶¹ . According to Michael D. Swaine, the GPD and GLD "reportedly do not play a major formative role in the defence policy process." Chief of the General Staff, Fu Quanyou played a role in advising on the national security policy. See Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.50-52, p.16. On policy toward Taiwan, it is basically the same situation. George W. Tsai believes that the GLD does not play a major role in the Taiwan policy process. He puts the roles of both the GSD and the GPD in influencing Taiwan policy on an equal footing, but recognises that Xiong "is an important transmitter of the military's stands on Taiwan affairs" and is in a position that can have an effect on Jiang

is based on the following three points. Firstly, the GSD is a key unit in charge of military strategy on Taiwan including the collection of Taiwan information and mapping-out of the battle plan. Secondly, Lieutenant General Xiong Guangkai, deputy chief of the general staff was the PLA representative on the Central Taiwan Work Leading Group. Thirdly, Xiong was in charge of foreign affairs and information for the whole army, and was responsible for coordinating all strategic intelligence materials in the field of military intelligence, in particular, Taiwan-related military affairs.

Below the level of the three general departments, there are seven major military regions, mainly made up of ground forces. Other services and arms are the Air Force, Navy and the strategic nuclear force (the Second Artillery Corps). In addition, there are non-combatant units such as: the Commission of Science, Technology and Industry for National Defence, the Academy of Military Science and the Defence University. Among them, the Defence University is the most active in Taiwan policy, but does not have a substantive influence. Of the seven major military regions, the Nanjing Military Region, which oversees the Taiwan area, is responsible for preparing possible military action against Taiwan. The Second Artillery Corps, is involved in the Taiwan policy process but is less influential. However, motivated by its own vital interests, it tried to influence Taiwan policy. It demanded a formal change of name to the PLA Strategic Rocket Force, in order to promote its position from an arm to a service. It believed that cross-strait tensions could justify its important position. It prepared a lightning war to attack Taiwan and proposed this battle plan to Jiang Zemin during the Taiwan Strait crisis of 1995-96.⁵⁶² The Air Force lobbied for sophisticated aircraft to deal with the Taiwan contingent. However, among all the services and arms, the Navy has seen the most active

Zemin's view on Taiwan policy. See George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, pp.16, 24.

⁵⁶² . Luo Bing, "The Military Hawk Grows More Powerful and Jiang Zemin Is Forced to Make Self-Criticism—Communist China Reviews Its Interlinked Strategies toward America and Taiwan," (罗冰, "军方鹰派坐大 江泽民被迫检讨—中共调整美台战略,") *The Trend Magazine* (动向), No.118, June 1995, p.8; Qu Tao, "Can an Attack with Missiles on Taiwan Become Effective within Three Minutes?" (曲涛, "导弹攻台 '三分钟奏效' ") *Cheng Ming Monthly* (争鸣), No.219, January 1996, pp.21-22.

involvement in Taiwan policy making because it relates closely to its strategic ambitions.⁵⁶³

The PLA Navy (PLAN) had played an increasing role in Taiwan policy-making since the early 1990s, when conditions were favourable for its lobbying on Taiwan policy. The PLAN's commanders, who had been far away from the decision-making centre in the previous forty years, now had powerful representatives in the party-state and military. The former commander of the navy, Liu Huaqing became a member of the Standing Committee of the CPC Politburo and first CMC vice-chairman in 1992.⁵⁶⁴ Liu was credited with expanding the PRC naval ambitions, and made important contributions to the PLAN's reconstruction and modernisation while stressing its important role in resolving the Taiwan issue.⁵⁶⁵ The former PLAN vice-commander and naval airforce commander, Vice-Admiral Li Jing, promoted to vice-chief of the general staff in the early 1990s, was regarded as the Navy's chief representative at the level of the PLA three general departments.⁵⁶⁶ Li played a key role in lobbying the civilian and military leadership to decide to import warships and submarines from Russia, and to plan purchase of a Russian-made aircraft carrier to cope with the Taiwanese and American Navies.⁵⁶⁷ The promotion of PLAN's elite into the paramount political strata and the top military leadership set up the navy's input into Taiwan policy-making.

Apart from accelerating naval modernisation, the PLAN lobbied on Taiwan policy for two main reasons. Strategically, a strong Beijing stance would help promote a PRC national security priority shift from land-dominated military strategy to

⁵⁶³ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.47-48; Bates Gill and Kim Taeho, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'*. Oxford; New York: Oxford University Press, 1995, pp.60-61.

⁵⁶⁴ . "New Party Leadership Line-Up," *Beijing Review*, November 2-8, 1992, p.12.

⁵⁶⁵ . You Ji and You Xu, "In Search of Blue Water Power: The PLA Navy's Maritime Strategy in the 1990s," *Pacific Review*, Vol.4, No.2, 1991, pp.139-140; Bates Gill and Taeho, Kim, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'*. Oxford; New York: Oxford University Press, 1995, pp.60-61, 108. In addition, with Liu Huaqing's influence and efforts, the navy was one of the best funded of PLA services in the early 1990s. See Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp. 196-197, 200.

⁵⁶⁶ . The Editorial Board of Who's Who in China (中国人名大词典编辑部), *Who's Who in China Current Leaders (中国人名大词典: 现任党政军领导人特卷)*. Beijing: Foreign Languages Press (外文出版社), 1994, p.300.

maritime defence. Politically, an important role in resolving the Taiwan issue would mean a higher status in the armed forces and greater national prestige for the PLAN. Specifically, the PLAN hoped to gain a greater share of the military budget and more advanced warships, including the aircraft carrier, through its vigorous lobbying activities. The PLAN viewed resolution of the Taiwan issue and reunification of the country as its primary combat mission, followed by defence of marine territory and protection of China's maritime interests.⁵⁶⁸ The prominence of the Taiwan issue pushed the PLAN forward a step and provided a golden opportunity for it to lobby the PRC paramount strata.

The PLAN was a prominent actor in provoking the crisis of 1995-96 when Beijing made the decision to militarily intimidate Taiwan. For example, as principal commanders, Vice-Admiral Li Jing, deputy chief of the general staff of the PLA, and Rear Admiral He Pengfei, PLAN vice-commander conducted manoeuvres called "95-Independent No.8", one of the most important military exercises in intimidating Taiwan. The live-firing manoeuvre involved the three armed services, mainly the naval airforce, naval coastal artillery, naval missile unit and the East Sea Fleet.⁵⁶⁹ The PLAN's lobbying gained the attention of the highest leadership. During the Taiwan Strait crisis of 1995-96, Jiang Zemin made an inspection tour of the PLAN's units and viewed a naval exercise directed at Taiwan.⁵⁷⁰ The PLAN's profile had risen. It canvassed for its own aggressive views on Taiwan policy and strove to see them adopted. Basically, the policy was a naval blockade of Taiwan.⁵⁷¹ Such a blockade would display the PLAN's naval power and increase its leverage while

⁵⁶⁷ . As the former navy and naval airforce commanders, both Liu and Li took a personal interest in acquiring an aircraft carrier. See Bates Gill and Kim Taeho, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'*. Oxford; New York: Oxford University Press, 1995, p.108.

⁵⁶⁸ . Bates Gill and Kim Taeho, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'*. Oxford; New York: Oxford University Press, 1995, pp.60-61.

⁵⁶⁹ . Li Zijing, "An Actual Account on the Exercises of Blockading Taiwan," (黎自京, "对台封锁演习实况,") *Cheng Ming Monthly* (争鸣), No.215, September 1995, pp.12-13.

⁵⁷⁰ . During his inspection, Jiang emphasised that it was very important to improve the naval force and quicken the pace of its modernisation to ensure coastal defence and resolve the Taiwan issue. Jiang praised the PLAN's military build-up achievements. Encouraged by his remarks, the PLAN vowed to strive for better performance of its military role in the country and contribute to national reunification. See Huang Caihong, "Witnessing the PLAN's Naval Exercise on the Sea," (黄彩虹, "中国海军海上演习目击记,") *Outlook Weekly* (了望), November 6, 1995, pp.6-7.

⁵⁷¹ . Since the late 1980s, the PLAN has researched the possibilities of a naval blockade against Taiwan and the related issues of international law. See Jianhai Bi, "The Rules of Naval Blockade in International Law," (毕建海, "国际法中关于海上武装封锁的规定,") *The (PLA) Naval Journal* (海军杂志), November 1987, pp.42-43.

side-stepping the fact that it was incapable of launching and sustaining an amphibious assault. Both the air and the ground forces would only play a supporting role. The military held a number of exercises blockading Taiwan in PLA war games during the crisis of 1995-96. This suggested that the PLAN's strategy of blockading Taiwan had been approved by the military high command.⁵⁷² In the meantime, the possibility of blockade was taken into account by the PRC leaders in search of a coercive solution of the Taiwan issue.⁵⁷³

The military has its own information units and research institutes for dealing with Taiwan, and intelligence apparatuses play a leading role.⁵⁷⁴ The two most important of these are the Military Intelligence Branch of the GSD and the Liaison Department of the GPD. The Military Intelligence Branch, which is also called the Second Department (the Er Bu) is in charge of foreign military intelligence. The collection of military intelligence on Taiwan, is one of its major missions and includes the use of clandestine special agents in Taiwan. The First Bureau under the Second Department is responsible for gathering information on Taiwan. It focuses on intelligence about the Taiwan army, such as armaments, operational preparations and battle plans, while also collecting information about politics and society as regards the military. When the Second Department engages in public activities and exchanges with foreign military and academic institutions, as well as Taiwanese

⁵⁷² . See Li Zijing, "An Actual Account on the Exercises of Blockading Taiwan," (黎自京, "对台封锁演习实况,") *Cheng Ming Monthly* (争鸣), No.215, September 1995, pp.12-13; Luo Bing, "The Ground Force and Airforce under the Command of Three Major Military Regions Moved into Fujian and Jiangxi," (罗冰, "三大军区陆空军调闽赣,") *Cheng Ming Monthly* (争鸣), No.221, March 1996, pp.6-7. At a meeting entitled "The Report on Strategic Principle regarding Taiwan", convened by the Ministry of National Defence and the General Staff Department and attended by most top military leaders, one of the main views was that advocating a blockade of Taiwan. See Yi Fan, "Communist China Prepares Public Opinion for Forcible Invasion of Taiwan," (易凡, "中共为武力攻台舆论准备,") *Cheng Ming Monthly* (争鸣), No.208, February 1995, pp.25-26. In addition, CMC Vice-Chairman Zhang Wannian bragged that the PLA was capable of blockading the Taiwan Strait within 24 hours. See Yi Fan, "The Top Military Leaders Brag that the PLA Will Need Less Than Two Days to Mount a Successful Invasion of Taiwan," (易凡, "军头夸言两天攻陷台湾,") *Cheng Ming Monthly* (争鸣), No.218, December 1995, pp.29-30.

⁵⁷³ . The PRC leaders have delivered many speeches about a naval blockade of Taiwan while threatening the use of force. See Martin L. Lasater, *Beijing's Blockade Threat to Taiwan*. Washington, D. C.: Heritage Foundation, 1985, p.1; The Government Information Office, *A Study of a Possible Communist Attack on Taiwan*. Taipei: The Government Information Office, 1992; David Shambaugh, "The Insecurity of Security: The PLA's Evolving Doctrine and Threat Perceptions Toward 2000," *Journal of Northeast Asian Studies*, Vol.XIII, No.1, Spring 1994, pp.13-14.

⁵⁷⁴ . For an examination of the PRC military's strategic research, analysis, and intelligence institutions in the national security affairs including Taiwan affairs, see Michael D. Swaine, *The Role of the*

research bodies and visiting scholars, it is operating in its capacity as the China Institute for International Strategic Studies.⁵⁷⁵

The Liaison Department (Lianluo Bu) of the GPD was formerly called the enemy affairs unit. Now publicly known as the China Association for International Friendly Contacts, its main duty is to stir up insurrection within enemy armies with psychological warfare. It is also responsible for gathering political, economic, social and other relevant military intelligence regarding Taiwan. However, it is principally tasked with instigating rebellions within the Taiwanese military. It conducts ideological and political work, political offensives and wars of nerves against the Taiwan army, attempting to undermine it by dampening servicemen's morale.⁵⁷⁶

The duties of the Second Department and the Liaison Department are to research military strategy regarding Taiwan and prepare studies on questions presented by top military leaders. In addition, the two departments provide another channel of information for the paramount leaders beyond that of the Ministry of Foreign Affairs, the Foreign Affairs Office, the Taiwan Affairs Office and the Ministry of National Security. Sometimes these two military departments prepare information for reference to the Politburo of the CPC. They report new developments in Taiwan affairs to the central decision-makers and advise on means for inserting military opinion input into the inner Taiwan policy process.⁵⁷⁷

In the mid-1990s, both the Second Department and the Liaison Department were directed by Lieutenant General Xiong Guangkai. Although the Liaison Department belonged to the GPD system, it was put under Xiong's command. Xiong was in charge of foreign affairs and information for the entire army and was responsible for coordinating all strategic intelligence materials in the realm of military intelligence.

Chinese Military in National Security Policymaking. Santa Monica, Ca: Rand Corporation, 1996, pp.57-71.

⁵⁷⁵ . Dan Bo, "Communist China's Intelligence, External Affairs Research Organs,"(淡泊, "中共的情治及外事研究机构,") *Cheng Ming Monthly* (争鸣), No.227, September 1996, p.30; George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.24.

⁵⁷⁶ . Dan Bo, "Communist China's Intelligence, External Affairs Research Organs,"(淡泊, "中共的情治及外事研究机构,") *Cheng Ming Monthly* (争鸣), No.227, September 1996, p.30; George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.16.

⁵⁷⁷ . Dan Bo, "Communist China's Intelligence, External Affairs Research Organs,"(淡泊, "中共的情治及外事研究机构,") *Cheng Ming Monthly* (争鸣), No.227, September 1996, p.30;

Of all military officers below the CMC level who were involved in the formulation of Taiwan policy, Xiong was one of the most politically influential generals.⁵⁷⁸ Xiong sat as a military representative on the powerful CTWLG that sets policy toward Taiwan. Apart from the military strategy, he was seen as rather actively involved in a number of other Taiwan concerns. While frequently travelling abroad, he had substantial contact with important visitors from major powers as well as Taiwan. He had firsthand material on Taiwan and reported directly to Jiang Zeming, boasting considerable political influence for his militarily aggressive views. From time to time, he also published tough opinions on Taiwan policy as the military's representative. He showed himself to be a strident critic of US policy toward Taiwan while advocating a strong PRC stance toward the US. For example, he was best known for his threat that the PLA could hit Los Angeles with a nuclear strike if the US intervened in the conflict during the Taiwan Strait crisis of 1995-96.⁵⁷⁹ Xiong, representing the PLA, had a key voice in setting Taiwan policy.

PLA veterans are also an important force in influencing the Taiwan policy process. Although retired, veterans who held senior posts in the PLA remained privileged and influential with a strong conservative and negative voice. They continued to be involved in the party-state politics and policy decision making including foreign policy.⁵⁸⁰ They expressed their views on national security affairs and defence policy by writing letters and sending petitions in joint names. Taiwan was one of the major issues that concerned them and they had influence upon the top Taiwan policy makers. They questioned the civilian leadership's rapprochement with the United States while American support for Taiwan continued and demanded a tough PRC stance. In the early 1990s, Deng Xiaoping was capable of resolving

George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, pp.16, 24.

⁵⁷⁸ . For Xiong's position in the party-state leading circles and the military authorities and his role in Taiwan policy making, see Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.32; Dan Bo, "Reasons Why Replaced National Security Minister," (淡泊, "国安部长易人为哪般,") *The Trend Magazine* (动向), No.152, April 1998, pp.40-42; George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.24.

⁵⁷⁹ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.334, 342.

⁵⁸⁰ . John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.254-255.

their differences and dissatisfactions within the policy apparatus. However, by the mid-1990s when Deng's successors as party-state leaders, particularly Jiang Zemin, took charge, they found it hard to resist pressure of these retired PLA elders. As a result, the PLA veterans' interference in the Taiwan policy process strengthened the military's influence on the paramount makers on decisions concerning Taiwan. However, this put the civilian leaders in a dilemma and made it more difficult to formulate a rational and practical Taiwan policy, especially for Jiang.⁵⁸¹

5.3. The Military's Interests in Taiwan Policy-Making

With its special capacity, the military plays an important, at times even decisive, role in Taiwan policy-making. Apart from acting in defence of the nation's unity the military has its own vital interests in Taiwan policy embodied in three aspects: preservation of the military's political privilege, military build-up for modernisation drives and more budgetary resources for defence.⁵⁸² Only through an active involvement in the Taiwan policy-making process, can the military achieve these three major objectives. It is known to favour aggressive stands which derive from its particular interests and it benefits most from tension with Taiwan.

Firstly, the military strives to regain power and, through participation in Taiwan policy-making, to resurrect its social stature and maintain its position of privilege. The military achieved almost mythical status from the 1950s to the 1970s but has faced tough times since the 1980s. During the 1960s and 1970s, especially the period of the Great Proletarian Cultural Revolution, the military dominated the country through maintaining social order and political stability. After the return of civilian rule, its power declined. The developing market-oriented economy and the process of opening-up to the outside world have had a strong impact on the military's privileged position. Economic reform from the planned economy to a market economy began in 1980s and did not require a military social-control function.

⁵⁸¹ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.12, 33-35.

⁵⁸² . George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.17; Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military*. Boulder, Colorado: Lynne Rienner Publisher, 1998, pp.276-279.

Faced with the country's dramatic transformation, the military reluctantly agreed to participate in economic reform, but refused to join in political reform. Its position in the country was diminished. In previous decades, servicemen enjoyed living standards superior to people in other occupations. However, beginning in the 1980s, the stature of the servicemen's profession depreciated. The military's lower social station was demonstrated by the fact that officers and soldiers suffered from pitiful salary scales.⁵⁸³ The military's socio-political status declined, it lost much of its importance in the state and no longer enjoyed pride of place in society. In order to reverse the unfavourable situation, the military had to find and prove an externally realistic danger to the country to underline the urgency of enhancing its power. Taiwan was a ready-made ideal policy area that demonstrated the indispensable nature of the military, automatically helping to increase the military's importance and prestige.

Large-scale military cuts were coupled with the declining status of the army. In 1985, the PRC Government announced that the armed forces would be cut by one million.⁵⁸⁴ From 1985 to 1990, PLA manpower was reduced from 4.4238 million to 3.199 million.⁵⁸⁵ The major military regions were pared down from 11 to 7. The PLA officer corps was also reduced and future enlargement was curbed. Many military officers especially generals lost their promotion prospects.

Although the military voiced concerns that it could with stand no further downsizing and stressed the importance of stepping up defence modernisation in order to deal with the threat of external invasion, it found it hard to convince the civilian leaders that the security of the PRC was truly threatened. The PRC leadership judged that another world war was unlikely to break out in the next several decades and peace and development had become the dominant international trends. Civilian leaders were planning a new round of troop cuts for the army in the face of stiff resistance from the military in the early 1990s. The total PLA staff establishment was expected to be cut from 3.2. million to 2.7 million. The proposed move was

⁵⁸³ . Arthur S. Ding, "China's Defence Finance: Content, Process and Administration," *The China Quarterly*, No.146, June 1996, p.442.

⁵⁸⁴ . "China Decides to Cut Its Army," *Beijing Review*, June 17, 1985, p.6.

⁵⁸⁵ . Zhao Yining, "China Will Cut 500,000 Troops from Its Armed Forces," (赵忆宁, "中国裁军员额 50 万,") *Outlook Weekly* (了望), November 17, 1997, p.8.

politically risky for the civilian leaders. The generals fought the reductions in a lobbying campaign bitterly opposing more layoffs.

The military believed that underlining the Taiwan issue could be an excellent means to stop further disarmament. What is more, it would provide an opportunity for the military's resurgence. Thus, the military managed to stress that there was a possibility of armed conflict over the Taiwan issue, particularly with Taiwan's guardian, the United States. Taipei's pragmatic diplomacy, in particular, the Taiwan president's US visit and Washington's permission for his trip, gave the military an argument to alert the paramount leaders to the possibility of permanent national division heightening tension in the Taiwan Strait. Although the civilian leaders believed that the international environment was still peaceful, favourable and likely to help promote peaceful reunification with Taiwan, they had to yield to the army's powerful pressure because the military had an important leverage over their political destiny during the period of leadership succession. The disarmament plan cutting a further half-million troops that was prepared in 1995, was thus postponed until the Taiwan Strait crisis of 1995-96 ended a year and half later.⁵⁸⁶

One of the reasons that the military intended to spark Taiwan as a flashpoint was to restore the Fuzhou military region. The big reduction of one million personnel between the mid-1980s and the early 1990s eliminated a large number of higher-ranking positions at the regional-level.⁵⁸⁷ The generals faced increasingly tough competition with each other for positions as commanding officer at the regional-level. A way to develop more opportunities was to be found in the restoration of the abolished major military regions. The generals knew that it would be impossible to re-establish all of them, but placed their hope on recovering the Fuzhou military

⁵⁸⁶ . You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, p.238; Bear Lee, "Defence Ministry Comment on Reports of Beijing's Mil. Dismantling," *CNA*, December 9, 1997; Jiang Zemin announced that the PRC would demobilise 500,000 military personnel in the next three years at the 15th Party Congress in 1997. See Jiang Zemin, "Hold High the Great Banner of Deng Xiaoping Theory for an All-Round Advancement of the Cause of Building Socialism with Chinese Characteristics into the 21st Century—Report Delivered at the 15th National Congress of the Communist Party of China on September 12, 1997," *Beijing Review*, October 6-12, 1997, p.28.

⁵⁸⁷ . Since the cut of one million personnel and the PLA evolution of a trend towards professionalism, a series of measures of regularising the army, such as a strictly formal organisational system, mandatory retirement and gradualised promotion, have been introduced. Thereby the commander

region. Of the four major military regions abolished, only the former Fuzhou military region, with its proximity to Taiwan, would stand a chance of restoration.⁵⁸⁸ The generals therefore sounded the alarm on Taiwan to provide impetus for its reestablishment.⁵⁸⁹ When the Taiwan Strait crisis of 1995-96 broke out, a compromise was reached between the generals and civilian leaders. Instead of restoring the Fuzhou military region the Nanjing War Region (NWR) was established. However, the NWR was a provisional unit outside the formal system of military organisation.⁵⁹⁰ Since the mid-1990s, the tense situation in the Taiwan Strait between 1995 and 1996, the civilian leadership has remained under strong pressure from the generals to restore the Fuzhou military region.⁵⁹¹

5.4. Defence Modernisation and the Military's Involvement in Taiwan Policy

A strong desire for defence modernisation impels the military to keenly involve itself in Taiwan policy. Taiwan is the main focus of the PLA modernisation efforts. A powerful modern army has been the military's long-held dream.⁵⁹² Although it claimed to be the largest standing army in the world, until the mid-1990s, the PRC combat forces were considered to be backward in both weapons and military doctrine. From the late 1940s to the mid-1990s, the PLA weaponry had evolved

posts of major military region were mandatorily limited. See James C. Mulvenon, *Professionalization of the Senior Chinese Officer Corps: Trends and Implications*. Santa Monica: Rand, 1997.

⁵⁸⁸ . When the major military regions were reorganised into seven, the Fuzhou military region was eliminated and its defence area was merged into two neighbouring military regions, mainly the Nanjing military region. After merging, the Nanjing Military Region oversaw the Taiwan area.

⁵⁸⁹ . John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, p.261.

⁵⁹⁰ . Harlan W. Jencks, "Wild Speculations on the Military Balance in the Taiwan Straits," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, pp.145-146.

⁵⁹¹ . "Communist China Plans to Re-establish the Fuzhou Military Region," ("中共拟重建福州军区,") *Cheng Ming Monthly* (争鸣), No.264, October 1999, p.23; Guan Qingning and Wang Jianmin, "To Outward Seeming the Tension Eases But a Crisis is Latent in the Taiwan Strait," (关庆宁·王健民, "表面缓和潜伏危机,") *The International Chinese Weekly* (亚洲周刊), August 29, 1999.

⁵⁹² . For an overview of the PRC military modernisation, see Larry M. Wortzel (ed.), *China's Military Modernization: International Implications*. New York: Greenwood Press, 1988; C. Dennison Lane,

from old-fashioned equipment to relatively sophisticated warships, fighter planes, nuclear-tipped ballistic missiles including a few Russian-made advanced conventional weapons. Generally speaking, however, the PLA was still equipped like a fighting force from the 1950s. Many elements of the military were outdated, to the point of being equipped with US and Japanese equipment captured during World War II. Thus, combat forces remained backward in weaponry and equipment, as the PLA had not acquired and assimilated advanced technology in its armament. It was in need of new types of weapons and sophisticated technology, smart weapons and high technology military armaments in particular.

Nevertheless, top priority had been given to national economic development since 1978, despite defence modernisation being one of the Four Modernisations' programme (the other three objectives are modernisation of industry, agriculture and science and technology). If military modernisation was to be a focal point of the country's work, it would undertake a huge spending program over many years and require a major diversion of resources from the civilian economy. However, many Chinese would oppose such a shift and so in order to consolidate the Communist regime's legitimacy the PRC leadership had to scale down its agenda for military modernisation and focus on the more immediately pressing economic issues.

The 1991 Persian Gulf War, which became a favoured theme of the elite officers, provided the PRC military with an argument to speed up defence modernisation.⁵⁹³ Comparatively, the Gulf War demonstrated the value of modernised military power and revealed the PRC's military backwardness. This promoted the PRC military quest for a leaner but technologically more advanced approach to national defence. However, there was no danger of war for the PRC. Although it fought with India in the early 1960s and with Vietnam in the late 1970s and early 1980s, Beijing was negotiating with New Delhi and Hanoi on border issues. Also, while there were disputes for territorial claims between the PRC and Southeast Asian countries over the Spratly Islands in the South China Sea and between the PRC and Japan over the Diaoyutai (Senkakus in Japanese) Islands, Beijing has displayed a consistent stance

of shelving disputes or settling them in a peaceful and rational manner. The PRC basic foreign policy since 1978 has been to seek a stable world order to pursue its primary goal of economic development. The military therefore needed more convincing grounds to place military modernisation on the agenda of the PRC leadership.

The most reasonable grounds for renewing military modernisation are to prove the primary importance of safeguarding national security and unification. The Taiwan issue could be premised upon developing the capability to win local wars under high-tech conditions. The military modernisation drive would advance the PLA's ability to achieve objectives of national security and unification, particularly the forceful integration of Taiwan into the mainland, while deterring supposed interference by the American forces on Taiwan.⁵⁹⁴ The military could take advantage of the Taiwan issue to justify the development and maintenance of a powerful national defence and military as vital for national security and reunification. A war game in the Taiwan Strait would provide a strong sense of crisis and help prepare the PLA for hi-tech conflict. An improvement of the PRC military capabilities would enable Beijing to improve its ability to wage war on Taiwan while bargaining with Washington on the issue, thus forcing Taiwan to reunify with the mainland. For this purpose, the PRC needed credible means of threatening the use of force. As such, civilian leaders had continuously been urged by the military to push the modernisation of the armed forces to a new stage and enhance their combat readiness and defensive capabilities by way of high technology.

The priorities of PLA modernisation were the navy, the air force and the strategic rocket force aimed at invading Taiwan.⁵⁹⁵ The PLA naval modernisation in particular would be raised to a new level.⁵⁹⁶ The naval force was one of the weakest areas of

⁵⁹³ . You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.234, 237.

⁵⁹⁴ . You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.235-236.

⁵⁹⁵ . You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, p.237; Avery Goldstein, "Great Expectations: Interpreting China's Arrival," *International Security*, Vol.22, No.3, Winter 1997/98, p.52.

⁵⁹⁶ . For an extended analysis of the PLAN's modernisation, see You Ji, "A Blue Water Navy: Does It Matter?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York:

the PRC armed forces. In the mid-1990s, the PLA Navy (PLAN) was the third largest navy in the world, with 260,000 men, equipped with 50 principal surface combatants and 52 submarines. It had reached a considerable level of expertise in naval operations with a growing fleet of missile-equipped destroyers and nuclear-powered submarines. However, the PLAN was still a shrinking and outdated navy because many warships were obsolete and it had no battleships or cruisers. Its main fighting platform was 15 older Luda class destroyers and two modified Luda. Although they had been re-equipped and upgraded, most of them were constructed in the 1970s and the early 1980s, and were generally considered obsolete by Western standards. 32 frigates constituted another part of the naval main force, but 26 were of the older generation Jianghu class. The PLAN had a large fleet of submarines including nuclear-powered and a nuclear-fuelled ballistic-missile submarine.⁵⁹⁷ However, by and large, the older conventional submarines were powered by diesel engines. The PLAN's marine corps was small and weak. It only had a brigade with 5,000 men, equipped with light landing craft and weapons.⁵⁹⁸ The PLA Naval Air Force was also considered outdated.⁵⁹⁹ Its 855 fighter planes and 68 armed helicopters were mainly shore-based.⁶⁰⁰ Although new type guided-missile destroyers were equipped with antisubmarine helicopters, most of combat aircraft were based on land. In a strict sense, it was an air force rather than a naval air force.

The PLAN was able to take advantage of the Taiwan issue to accelerate its modernisation while improving its fighting capability.⁶⁰¹ The PRC leadership has

Routledge, 1997, pp.71-89; You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.247-249. Also see Greg Austin, *China's Ocean Frontier: International Law, Military and National Development*. St. Leonards, NSW, Australia: Allen & Unwin in association with the Department of International Relations and the Northeast Asia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra, ACT, 1998, pp.282-289.

⁵⁹⁷ . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.177.

⁵⁹⁸ . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.178.

⁵⁹⁹ . You Ji, "A Blue Water Navy: Does It Matter?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, p.82.

⁶⁰⁰ . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.178.

⁶⁰¹ . For the factor of Taiwan, in particular, events in the Taiwan Strait during 1995-1996, in promoting the PLAN's modernisation, see You Ji, "A Blue Water Navy: Does It Matter?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.71, 76, 78, 83; Greg Austin, *China's Ocean Frontier: International Law, Military and National*

quickened the pace of seeking to resolve the Taiwan issue since the 1980s. Beijing has repeatedly warned Taiwan that it could use force against the island if a declaration of independence was attempted. The naval command took the opportunity to speed modernisation, in particular, the acquisition of an aircraft carrier. In 1995, the PLA was the world's biggest army with 2.93 million soldiers while Taiwan had about 376,000 troops.⁶⁰² But the PLA would be incapable of occupying Taiwan because it was not able to wage amphibious warfare.⁶⁰³ The key to the PRC recovering the island by force is to make a large-scale crossing of the 160-mile-wide Taiwan Strait while simultaneously preventing the United States from supporting Taiwan. The PLAN is key in any such plan, but the Taiwanese navy had the balance of power in its favour, particularly after its acquisitions of French and American-made missile frigates in a major mid-1990s naval upgrade.⁶⁰⁴ The naval command stressed the urgent need to deploy sophisticated warships to destroy the Taiwanese Navy while deterring the US Navy's intervention, if any invasion were to be successful.⁶⁰⁵

The PLA Air Force (PLAAF) was a weak service.⁶⁰⁶ It was large, numbering about 470,000 and was equipped with 4,970 combat aircraft in the mid-1990s.⁶⁰⁷ However, the vast majority of its warplanes were more than 30 years old and overdue for decommission. In light of new trends in air power development in the 21st century, the PLAAF was backward in vital fields such as reconnaissance, communications and electronic warfare capabilities and in-flight refuelling systems

Development. St. Leonards, NSW, Australia: Allen & Unwin in association with the Department of International Relations and the Northeast Asia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra, ACT, 1998, pp.288-289.

⁶⁰² . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, pp.176, 192.

⁶⁰³ . For the PLA Navy's combat effectiveness in an attack on Taiwan, see Chong-Pin Lin, "The Military Balance in the Taiwan Strait," *The China Quarterly*, No.146, June 1996, pp.588-589, 591.

⁶⁰⁴ . Taiwan ordered 6 LaFayette-class missile frigates from France in 1992 and most of them were delivered in 1996. Also, it acquired 6 Knox-class missile frigates from the United States between 1992 and 1996. In addition, Taiwan ordered 7 American-made Perry-class frigates, which were delivered between 1993 and 1998. See International Institute for Strategic Studies, *The Military Balance: 1999/2000*. Oxford: Oxford University Press, 1999, pp.178-179.

⁶⁰⁵ . You Ji, "A Blue Water Navy: Does It Matter?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.71, 76, 78, 82-83.

⁶⁰⁶ . For the Modernisation of the PLAAF, see You Ji, "The PLA's Military Modernisation in the 1990s," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, p.244-247.

⁶⁰⁷ . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, pp.178-179.

to extend its range and sustainability.⁶⁰⁸ The PLAAF was in need of new types of electronic-war aeroplane, high-speed fighters, airborne warning and control systems, as well as more advanced and accurate missiles to fill in gaps in the air defences. Externally, because Communist China is a rival to the United States and other Western powers, Western countries especially had observed an embargo on sales of arms to the PRC since the Tiananmen Square military suppression in 1989. As such, the PRC had to rely largely on itself to develop weaponry and equipment for the air force. Although the PRC basically had the capability to produce combat aircraft, it had had difficulty developing a fighter to match international standards. Generally speaking, from the 1980s to the mid-1990s, the military had tried very hard to enhance the airforce self-reliantly. The PRC air defence had improved and strengthened somewhat in weaponry and equipment, but most was still in a developmental stage. Overall modernisation was still far from complete.

The PLAAF had long cherished the hope of developing from a defensive force into one that would also be offensively capable.⁶⁰⁹ However, it lacked such capabilities up to the mid-1990s. A war game in the Taiwan Strait could provide an opportunity for such a strategic transformation. Tension across the Taiwan Strait would confirm the PRC needed to beef up its air power capabilities. Taiwan's air force was small but higher-quality, with modern fighters like the French *Mirage* and the American F-16.⁶¹⁰ Although the PLAAF had the numerical advantage, most combat aircraft were out of date. Thus, it would be difficult to gain the air superiority required to cover the navy and support the army in an attack on Taiwan.⁶¹¹ Moreover, the American military would probably help in Taiwan's defence and the powerful American airforce would pose a massive threat. The PLAAF believed that it should have more advanced fighter aircraft to attack Taiwan's well-defended

⁶⁰⁸ . International Institute for Strategic Studies, *The Military Balance: 1996/97*. Oxford: Oxford University Press, 1996, p.171.

⁶⁰⁹ . You Ji, "A Blue Water Navy: Does It Matter?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, p.72.

⁶¹⁰ . Taiwan ordered 150 F-16s and 60 *Mirage* 2000s in 1992. They were delivered in succession until 1999. See International Institute for Strategic Studies, *The military balance: 1999/2000*. Oxford: Oxford University Press, 1999, pp.178, 175.

⁶¹¹ . For the PLA Air Force's battle-worthiness to attack Taiwan, see Chong-Pin Lin, "The Military Balance in the Taiwan Strait," *The China Quarterly*, No.146, June 1996, pp.585-588, 591.

airspace. It had imported 26 Sukhoi-27 supersonic warplanes from Russia in the early 1990s but these were insufficient.⁶¹²

The PLA missile unit also needed to be improved and strengthened.⁶¹³ Between 1995 and 1996, the PRC had 17 intercontinental ballistic missiles, 70 intermediate range ballistic missiles and a large number of short range missiles.⁶¹⁴ The PRC had detonated its first atomic bomb in 1964. Besides strategic nuclear strike power, most of its short range missiles could carry a conventional, biological, chemical, or nuclear warhead. However, the Second Artillery Corps—that is, the PLA strategic rocket force, was still a small nuclear force, about the size of that of France. It remained far behind America and was comparatively backwards technically. The missiles it had were still below world standards in terms of speed and accuracy, while also being impossible to launch quickly. While badly needing new-type conventional missiles, the Second Artillery Corps expected to modernise its nuclear arms as well. If Beijing were to seek to determine the future of Taiwan by force, it would increase the risk of military confrontation between the PRC and the US. In terms of missile force confrontation, if the PRC used missiles to attack Taiwan, the US would help Taiwan defend itself covering it with an anti-missile umbrella or firing ballistic missiles into mainland China in a conflict between two nuclear powers. In this case, the PRC would be threatened or deterred by the US. The PRC therefore would have to thwart any American intention to protect Taiwan with conventional missiles and strategic nuclear weapons. Although missiles could strike almost anywhere in Asia and even reach Los Angeles, the PLA missile unit had to continue efforts to modernise and diversify its nuclear arsenal, especially developing newer mobile ballistic missiles and improving warheads. A crisis in the Taiwan Strait would stress the strategic necessity of modernisation for the Second Artillery Corps which would provide imperatives for a major expansion of forces and upgrade of its capability to cope with the US strategic nuclear force while striking Taiwan. The PLA missile inventory, production, installations and maintenance such as tactical ballistic missiles and long-

⁶¹² . International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.178.

⁶¹³ . For the modernisation of the PLA missile unit, see You Ji, “The PLA’s Military Modernisation in the 1990s,” in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, p.237-244.

range cruise missiles would be highly valued. Meanwhile, because medium and short range missiles play an important role in enhancing the PLA capability of attack against Taiwanese or US forces, they needed urgently to be expanded and upgraded while improving their accuracy. The Second Artillery Corps could avail itself of tension with Taiwan to flex its missile muscle and obtain preferment in the modernisation.

5.5. The Defence Budget and the Military's Involvement in Taiwan Policy

Greater budgetary resources for defence are another major objective for the military having taken the initiative in its involvement with Taiwan policy.⁶¹⁵ From 1949 to 1978, national finances had prioritised military expenditure. However, the military faced a difficult situation as economic development ascended to a position of higher priority than a military build-up. The government had little choice but to restrain military spending in favour of other pressing domestic needs.⁶¹⁶

The defence budget had been virtually unlimited from the 1950s until the late 1970s but available budgetary resources for the military had decreased from then to the mid-1990s. The defence budget was reduced from 5.6 per cent of the gross domestic product (GDP) in 1979 to only 1.3 per cent in 1994. Military expenditure had declined successively, from 18.5 per cent of the total national expenditure in

⁶¹⁴ . For information on the PRC strategic missile force from 1995 to 1996, see International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, p.176.

⁶¹⁵ . Western military analysts believe that the PRC's actual defence spending is substantially higher than the published figures. This study still cites Beijing's official figures on defence budgets in illustration of its viewpoints because they can shed light on military expenditure in the PRC. For an analysis of the PRC defence finance in detail, see Arthur S. Ding, "China's Defence Finance: Content, Process and Administration," *The China Quarterly*, No.146, June 1996, pp.428-442; "China's Military Expenditure," in International Institute for Strategic Studies, *The Military Balance: 1995/96*. Oxford: Oxford University Press, 1995, pp.270-275.

⁶¹⁶ . Deng Xiaoping, "The Army Must Subordinate Itself to Serve the Overall Situation of Nation's Economic Construction," (邓小平, "军队要服从整个国家建设大局,") in *Selected Works of Deng Xiaoping, Vol. 3 (邓小平文选: 第三卷)*. Beijing: People's Press (人民出版社), 1993, pp.98-100; Lu Weimin, "The Military Criticises Deng Xiaoping of Delaying National Defence," (陆维民, "军方指责邓小平延误国防,") *Beijing Spring (北京之春)*, No.29, October 1995, pp.21-23.

1979 to 9.5 per cent in 1994.⁶¹⁷ Budgetary constraints made it difficult to purchase and develop PLA weapons systems. The military believed that it had been weakened by declining budgets.⁶¹⁸

There were two main reasons for the military demanding an increase in the defence budget. One was the modernisation programme and another was the inflationary factor. The military has been pursuing its ambitious and expensive modernisation drive focusing on high-technology warfare. It needed large amounts of money to upgrade its arsenal, but it had been constrained by direct budget limitations. The request for an expensive new weapons program was treated with indifference by the civilian leaders. As for the inflationary factor, it had a clearly adverse effect on the increase in defence expenditures. Prices had been increasing rapidly and the paper currency had been inflated since the late 1980s.⁶¹⁹ Inflation even led to decreasing servicemen's real salaries.⁶²⁰ Thus, the military had already taken the inflation factor into account when it made the request for more defence spending.⁶²¹ It contended that the annual increase was largely in line with inflation, with added costs for maintaining the standard of living of army personnel and pensions rather than purchasing and maintaining weapons and equipment.⁶²²

⁶¹⁷ . Information Office of the State Council of the People's Republic of China, "China: Arms Control and Disarmament (November 1995, Beijing)," *Beijing Review*, November 27-December 3, 1995, p.15. For a further analysis of PRC defence expenditures, see Richard A. Bitzinger, "Military Spending and Foreign Military Acquisitions by the PRC and Taiwan," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, pp.75-77.

⁶¹⁸ . Fang Zhi, "Who on Earth Threatens Who? — Xu Xin, Chairman of the China Institute for International Strategic Studies, Former Deputy Chief of the General Staff of the PLA, Talks About the So-called China Threat (方知, "到底谁威胁谁? — 中国国际战略学会会长, 人民解放军原副总参谋长徐信谈中国 '威胁论', "), *Outlook Weekly* (了望), February 19, 1996, pp.48-49; Lu Weimin, "The Military Criticises Deng Xiaoping of Delaying National Defence," (陆维民, "军方指责邓小平延误国防, ") *Beijing Spring* (北京之春), No.29, October 1995, pp.21-23; Gary Klintworth and Des Ball, "China's Arms Buildup and Regional Security," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.263-264.

⁶¹⁹ . Between 1989 and 1990, inflation had taken a turn for the worst, reaching about 30%. Although the inflation rate fell from over 20% of 1994 to 17.1% of 1995, it remained relatively high. See William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, pp.67-68.

⁶²⁰ . Arthur S. Ding, "China's Defence Finance: Content, Process and Administration," *The China Quarterly*, No.146, June 1996, p.442.

⁶²¹ . Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System*. Boulder, Colorado: Lynne Rienner Publishers, 1997, p.154.

⁶²² . Gary Klintworth and Des Ball, "China's Arms Buildup and Regional Security," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.263-264; Information Office of the State

However, the military's claim on the national budget for a larger share by reason of inflation was declined. The reason for this was that not only the armed forces, but all trades and professions had been affected. The civilian administration was already facing mounting unemployment and budget deficits, together with a huge public spending programme intended to address the problem. The government therefore did not satisfy the military's wish for compensation. Only 71.65 per cent of the military's demands were met.⁶²³

The budget shortfalls pressured the military into finding alternative financial sources, and it was forced to engage more heavily in business to provide funding for itself. As such, the PLA established a colossal empire of about 20,000 companies employing a large number of soldiers and civilians, which raised a substantial revenue for additional army spending. At one time when the government was years away from instituting a fully functioning national budget to provide for all the needs of the PLA, civilian and military leaders had tacitly consented or implicitly encouraged the PLA commercial business operations. However, although it engaged in widespread commercial activities, as extra-budgetary earnings substituted for lost defence expenditures and helped to finance the long-desired military modernisation, corruption greatly increased and military discipline seriously worsened, leading to rampant smuggling and other such illegal activities. As a result, business impaired the PLA military capabilities.⁶²⁴ In view of the seriousness of the situation, attempts had been made by the civilian and military leaders to break the myriad of links between the army and business. Civilian leaders declared that, in principle, the allocation of necessary funds for the PLA to carry out its duties should be regularised and more reliant on state finances, while the army should be more obedient to state directives. The civilian and military leaders therefore ordered the PLA to gradually

Council of the People's Republic of China, "China: Arms Control and Disarmament (November 1995, Beijing)," *Beijing Review*, November 27-December 3, 1995, p.15.

⁶²³ . Gary Klintworth and Des Ball, "China's Arms Buildup and Regional Security," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.263-264; Information Office of the State Council of the People's Republic of China, "China: Arms Control and Disarmament (November 1995, Beijing)," *Beijing Review*, November 27-December 3, 1995, p.15.

⁶²⁴ . For an overview of the LA commercial activities, see Tai Ming Cheng, "China's Entrepreneurial Army: The Structure, Activities and Economic Returns of the Military Business Complex," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.168-197.

narrow its business fields, leading over a period of time to a final withdraw from commercial activities. However, nothing happened because the military officers were unwilling to give up money-making assets and the civilian leadership did not ensure the PLA had the necessary budget, despite the government's promise that it would gradually increase the defence allocation.⁶²⁵ The PLA had to demonstrate to the government by other means that it needed a substantial boost to its budget.

Taiwan issues again provided the necessary argument.⁶²⁶ The military saw national reunification as an opportunity for a bigger slice of the budget. If there was no serious threat to the security and sovereignty of the country, defence expenditures would not increase by a wide margin. Only if the military played up the urgency of the Taiwan issue to expedite reunification by way of PLA support, could it obtain more budgetary resources. If the Taiwan Strait were to see arise in tension, big boosts in the defence budget would be considered necessary. Thus, the PRC found itself in a period when supreme power was in a state of transition, with top leaders competing for the right of succession open to the argument that Taiwan should be put at the top of the PRC agenda and relevant defence spending should be given priority. No leaders could withstand a decrease in military expenditure that might affect the use of force against Taiwan in the pursuit of national reunification.⁶²⁷ The PLA stressed that it would need to increase its military expenditure before a successful invasion of Taiwan was possible. It pushed for bigger budgets for sophisticated weapons and training programs focusing on naval power projection and amphibious lift-all vessels, crucial to an invasion of the island.

The PRC military had cited efforts by the Taiwan government to modernise the Taiwan army as a reason to spend more on sophisticated hardware.⁶²⁸ The military's

⁶²⁵ . Jianxiang Bi, "The PRC's Active Defence Strategy: New Wars, Old Concepts," *Issues & Studies*, Vol.31, No.11, November 1995, pp.92-94; Ralph A. Cossa, "The PRC's National Security Objectives in the Post-Cold War Era and the Role of the PLA," *Issues & Studies*, Vol.30, No.9, September 1994, pp.22-23.

⁶²⁶ . Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, p.61; Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.75, n2.

⁶²⁷ . Avery Goldstein, "Great Expectations: Interpreting China's Arrivals," *International Security*, Vol.22, No.3, Winter 1997/1998, pp.67-68.

⁶²⁸ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence

argument was that Taiwan had made an enormous investment in its defence system from the 1970s to the 1990s. Indeed, Taiwan's defence spending had taken 40.3 percent of the total budget, and the military accounted for 6.98 per cent of the island's GNP in the 1980s.⁶²⁹ More dramatically, from the early 1990s onwards, Taipei had given the army a huge amount of money in an extra-budgetary allocation, purely for the purchase of American and French advanced weapons systems.⁶³⁰ The military expressed concern that by procuring more hi-tech weapons in the coming years Taiwan's forces would constitute a threat to the PLA. If the PRC did not provide a continued investment in its armed forces, it would lose its margin of military superiority to Taiwan over the next decade. The military drew attention to Taiwan's fast-growing defence spending, while highlighting that the mainland's rate of military expenditure growth had slowed. The military called for the government to increase its defence budget to upgrade the PLA combat preparedness for reunification by force.⁶³¹ Therefore, the Taiwan issue became the most immediate and reasonable ground to argue the military's requirements for greater budgetary resources.

5.6. Evaluation of the Military's Influence upon Taiwan Policy-Making⁶³²

Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, pp.47-48.

⁶²⁹ . Dennis Van Vranken Hickey, *United States-Taiwan Security Ties: From Cold War to Beyond Containment*. Westport, Connecticut: Praeger, 1994, p.64.

⁶³⁰ . International Institute for Strategic Studies, *The Military Balance: 1998/99*. Oxford: Oxford University Press, 1998, pp.169, 197.

⁶³¹ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.89; Ralph A. Cossa, "The PRC's National Security Objectives in the Post-Cold War Era and the Role of the PLA," *Issues & Studies*, Vol.30, No.9, September 1994, pp.12-14, pp.23-24; Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.78, n5.

⁶³² . For an overview of the military's major influence on Taiwan policy, see John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.246-281; Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.53-70.

The military did not feel it was necessary to lobby on the Central Taiwan Work Leading Group (CTWLG) before 1992 but it considered it imperative to influence the top Taiwan policymakers after that date. Before 1992, the military itself dominated the policy-making and handling of affairs regarding Taiwan. Then the CTWLG was headed by President Yang Shangkun who had a close personal relationship with Deng Xiaoping. Yang had control over Taiwan policy while keeping the handling of routine affairs of the military in his own hands as permanent vice-chairman of the Central Military Commission (CMC). When there were disputes between the civilian administration and the military authorities, Yang was able to resolve or mediate them playing a balanced role on the military's behalf.⁶³³ Although Jiang Zemin was CPC General Secretary and CMC chairman, he only had a small say in Taiwan policy. At that time the military's profile on the Taiwan issue was low, for it did not need to act as a lobbyist to inject its views into the policy process. After Yang's failure in the power struggle with Jiang Zemin in the 14th National Party Congress in 1992, Jiang replaced Yang, becoming state president and CTWLG head. However, Jiang was not viewed by the military as 'one of them' because of his lack of a military service. This caused him difficulty in winning respect and loyalty from the military. Although there still was a professional serviceman, Lieutenant General Xiong Guangkai, in the CTWLG, the military believed that its influence was insufficient for it to gain the upper hand on Taiwan issues. Against such a backdrop, with its role in the Taiwan policy process impaired, the military had to conduct lobbying activities with the CTWLG. In the meantime, with Jiang Zemin not yet predominant in Taiwan policy-making, the military had room to exercise influence.⁶³⁴

Unlike its approach prior to 1992, the military sought to significantly influence the Taiwan policy process in the mid-1990s, fuelled by its pivotal role in the succession politics of the post-Deng era. Jiang's political survival depended on the

⁶³³ . Tai Ming Cheng, "Chinese Military Preparations Against Taiwan Over the Next 10 Years," in James R. Lilley and Chuck Downs (eds), *Crisis in the Taiwan Strait*. FT. McNair, Washington, D.C.: National Defence University Press, 1997, p.46; Chen Te-sheng, "Mainland China's Taiwan Affairs Organizations and Personnel," *Issues & Studies*, Vol.30, No.7, July 1994, p.58; Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, pp.34-36; p.41, n9.

⁶³⁴ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.61

military's support but that support was conditional. Jiang had to give the military more for its defence budget and greater participation in policy decision making. Thus, the military was able to bring pressure to bear on him. The changes in the hierarchy of Taiwan policy-making was exposing rifts between the military and the civilian leadership. There were an increasing number of dissenting voices within the PLA over Beijing's Taiwan policy. However, Jiang was unable to easily smooth over the divergence between the civilian officials and the military officers. If he attempted to rein in the PLA, his own position might be in jeopardy. Jiang found it difficult to take controversial stands on military issues and Taiwan affairs as the military became more assertive, threatening to unseat him while unhinging the civilian management of the Taiwan issue. This situation, finally, led to Jiang's decision to intimidate Taiwan by use of force. Succession politics and the mid-1990s events in the Taiwan Strait provided the military with the opportunities to greatly influence the Taiwan policy process.⁶³⁵

The military does its best to lobby on the National People's Congress (NPC) and the National People's Congress' Standing Committee (NPCSC). Although the NPC and NPCSC are generally acknowledged to be rubber stamp organisations, they are still the PRC's top legislative body. Theoretically and legally, their responsibility is to approve or reject suggestions issued by the State Council, including the election of state leaders. They have the constitutionally mandated power to legislate, oversee law enforcement and supervise the government. The election and appointment of state leaders and the adoption of the law must have over half of the votes of all members of the NPC and NPCSC to be passed. More imperatively, the national budget including the defence budget and final accounts, must be examined and approved by the NPC. Before the mid-1980s, the top legislators followed the party's order to adopt with nearly unanimous votes. All bills and motions, and decisions made by the State Council were passed. Nevertheless, as democratisation took its

⁶³⁵ . David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.210-211; Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.53-70.

course, the PRC parliament began to change its symbolic image.⁶³⁶ Lawmakers had nullified draft laws tabled to them for approval. There were two cases in which bills proposed by the State Council were not approved by the NPCSC.⁶³⁷ Under such circumstances, especially when the NPC discusses and approves the defence budget, the military cannot afford to slight the NPC and NPCSC, despite inputs into the policy process of the central party's leadership and national government on major political and foreign decisions.⁶³⁸ Before the mid-1980s, the PLA delegation was organised to attend the annual NPC but was not active. However, since the early 1990s the military has exerted itself to lobby the national legislature.⁶³⁹ The PLA delegation proposed its own motions on the budget expansion emphasising the army's urgent needs in accomplishing reunification in the mid-1990s.⁶⁴⁰ In the meantime, to make its requirements on Taiwan issues appear legitimate, the military utilised the NPC and NPCSC as important policy forums. The PLA delegates to the NPC and the military's representatives on the NPCSC took advantage of the situation to propagandise their hard-line on Taiwan, preaching war-like rhetoric while attacking the civilian departments concerned for their soft stance.⁶⁴¹

The interactions between the military and the civilian departments demonstrated that it seemed the military did not intend to become a directorate. What it wanted

⁶³⁶ . According to You Ji, the NPC influence on PRC policy decision making has increased, despite its role as rubber stamp remaining substantively unchanged. See You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.40, n24; Also see You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.1-27.

⁶³⁷ . Before 1996, the Seventh NPCSC (1988-1993) once voted down a draft law on urban neighbourhood committees. The second time was in 1999. During the Ninth NPC, a Highway Bill was not adopted. These two cases have caused the military to attach importance to the power of the national legislature. See Daniel Kwan, "Snub for Zhu as Fuel Tax Proposal Rejected," *The South China Morning Post*, April 30, 1999.

⁶³⁸ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.45, n30

⁶³⁹ . For an extended analysis of the military's position and lobbying activities in the NPC and NPCSC, see John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.252-254.

⁶⁴⁰ . Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking*. Santa Monica, Ca: Rand Corporation, 1996, p.78, n5.

was a larger say. However, at crucial moments, when it believed that its political and economic benefits would be affected, or its strategic interests impacted by 'soft' civilian policy, the military strove to take the initiative. It strongly demanded the civilian departments concerned readjust Taiwan policy in responding to the course of events in the Taiwan Strait during 1995-1996 and adopt the military's views. Yet this did not appear to show that the military intended to dominate Taiwan policy formulation. It sometimes criticised the Taiwan Affairs Office (TAO), but seldom targeted it for attack. The TAO is the PRC's main working organ for Taiwan but, to a great extent, its main duty is to implement rather than make Taiwan policy. Instead, the military aimed its attack at the Ministry of Foreign Affairs (MFA) and focused its criticism on the MFA head, Qian Qichen, because much of the Taiwan issue involves the PRC-US-Taiwan relationship, and the Vice-Premier and Foreign Minister, Qian, was one of the key Taiwan policy-makers and was concurrently the CTWLG deputy-head. The military resented his weakness toward Washington and Taipei and blamed the MFA for bartering away sovereignty and encroaching upon the military's interests. In terms of American arms sales to Taiwan and other issues of PRC-US relations over Taiwan, in particular Lee Teng-hui's US visit, the military believed that the MFA had, in failing to take countermeasures, not responded strongly enough. The MFA was severely criticised for its false moves and Qian was attacked for his supervisory failures. His resignation as foreign minister was demanded. The military maintained that Beijing should take an intransigent attitude toward the United States over Taiwan and should handle the Taiwan issue with a high hand. Jiang Zemin had to defend the accused Qian, which in turn affected his authority.⁶⁴²

Further, while forcing Qian into making a self-criticism, the military also criticised Jiang for following a soft-line and urged him to toughen the PRC stance on

⁶⁴¹ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.57-58; Allen S. Whiting, "Chinese Nationalism and Foreign Policy After Deng," *The China Quarterly*, No.142, June 1995, p.314.

⁶⁴² . Lo Bing, "The CPC Military Attacks the Ministry of Foreign Affairs," ("中共军方攻外交部,") *Cheng Ming Monthly* (争鸣), No.201, July 1994, pp.6-8; David Shambaugh, "China's Military in Transition: Politics, Professionalism, Procurement and Power Projection," *The China Quarterly*, No.146, June 1996, pp.273-274; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.57-59; Luo Bing, "Jiang's US Tour Causes a Disturbance in Zhongnanhai," (罗冰, "江赴美引发中南海风波,") *Cheng Ming Monthly* (争鸣), No.217, November 1995, pp.6-8.

Taiwan. The PLA chiefs claimed that Jiang's moderate eight point policy toward Taiwan had failed. In order to seek the military's support to consolidate his position as Deng Xiaoping's successor, Jiang had to accept the plan of intimidating Taiwan even though he did not favour such an adventurist plan. Under military pressure, Jiang even undertook a self-criticism for his wrong decisions on interlinked policies toward America and Taiwan.⁶⁴³ The aggressive positions taken by the military forced the civilian leaders and departments concerned to take a stronger stance. Generally speaking, the civil-military disputes resulted in resolutions favourable to the military. Although the military did not attempt to play a central role in Taiwan policy decision making, its influence undoubtedly increased in the mid-1990s. The absence of a political strong man after Deng Xiaoping resulted in no leader wielding sufficient power to be predominantly influential over Taiwan policy, allowing the military to push its views into the Taiwan policy-making process. Such circumstances made the already fragmented Taiwan policy-making structure more diffuse. Worse, the Taiwan policy process was politicised.

In addition to the above-mentioned channels of influence over Taiwan policy, the military took public opinion seriously. It made use of the media to whip up nationalist sentiments and press the civilian leadership to take a hard-line on Taiwan. During the Taiwan Strait crisis of 1995-96, the military intensified its activities in propaganda and public relations. On one hand, it kept up a propaganda barrage in its own organs such as *The Liberation Army Daily*. Simultaneously, the top PLA generals published many strong statements trying to illustrate that safeguarding national reunification and territorial integrity was becoming an urgent concern. The military claimed in many hawkish comments that US intervention in a conflict between mainland China and Taiwan would result in serious repercussions while also intensifying a barrage of criticism aimed at the "Taiwan independence force headed by Lee Teng-hui". The military also launched its propaganda offensive in the civilian media to exert a heavier pressure on the civilian leadership to meet the PLA

⁶⁴³ . David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.210-211; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.61-62; John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison Lane,

demands. During the tensest period of the Taiwan crisis, the PRC state media was filled with pictures and reports of war games.⁶⁴⁴ The military's propaganda implicitly criticised Jiang Zemin's poor decisions on Taiwan policy and urged Jiang to take resolute steps against Taiwan. At a time of mounting tension over Taiwan, the Beijing leadership was scheduled to gather at the seaside resort of Beidaihe for its annual mid-year policy review in summer 1995.⁶⁴⁵ Top item on the political agenda was the Taiwan question. The military flexed its political muscle to press Jiang to accept its views at the Beidaihe, which was focussed on charting the new PRC policy toward Taiwan. The military stepped up its war of words over Taiwan before the Beidaihe meeting putting Jiang under heavier pressure. In an atmosphere of strong nationalism fostered by the military, Jiang, vulnerable in the midst of the succession struggle, could not allow himself to appear soft on Taiwan. He managed to stabilise his successor position through satisfying the armed forces. After the Beidaihe conference, Beijing declared that it would take stronger military measures against Taiwan. As more PLA military exercises took place, tensions across the Taiwan Strait grew.⁶⁴⁶ Thus, military adventurism along with public opinion reduced the civilian leaders' room to manoeuvre. They could not help but make some compromises to the PLA hawkish appeals. As a result, it became more difficult for a pragmatic Taiwan policy establishment to develop.

Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, p.272.

⁶⁴⁴ . Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997, p.163.

⁶⁴⁵ . Beidaihe is a seaside resort, located in Qinhuangdao City, Hebei Province, close to Beijing. It is the summer retreat, where the Beijing leadership gathers for its annual meeting to plan economic and political strategies for mid-year or the coming year. Beidaihe conferences usually start in late July or early August.

⁶⁴⁶ . Fu Mosha, "Contending for the Dominance of Public Opinion: Jiang and Zhu Jointly 'Liberate' the Army," (付莫沙, "争夺舆论主动权: 江朱联手解放'军',") *The Journalist*, (新新闻), August 5-11, 1999, p.33.

Chapter Six

The PRC Leadership Succession Problems and Jiang Zemin's Motives regarding Taiwan

6.1. Jiang Zemin's Efforts to Defend His Status as Successor to Deng Xiaoping

6.1-1. The Failure of Deng Xiaoping's Succession Strategy and Jiang Zemin's Rise to Power

The PRC's leadership succession problem proved very hard to settle. A transition to supreme power is never procedural and peaceful and is always undertaken with the predecessors' single-handed choice or changes of successors behind closed doors. This has an important negative impact on the party and country, bringing about political unrest. Mao Zedong earmarked two men to be his successors, Liu Shaoqi and Lin Biao, but remained reserved about who should hold absolute power. Later, he dumped them, prompting ruthless power struggles within the party and great national upheaval. Deng, who never officially took the posts of party chief and government head, but was known as the actual paramount leader, followed Mao's footsteps in designing his succession strategy, but he also failed.⁶⁴⁷ After missteps in anointing heirs, the leadership succession became more problematic over the years. Deng designated Hu Yaobang and Zhao Ziyang to be his heirs as the general secretaries of the party one after another. Nevertheless, when he came to believe that neither was loyal to him, and even sought to take over from him in advance, both Hu and Zhao were dethroned. He needed to introduce other candidates for the position of 'crown prince'. Thus Jiang became a beneficiary of Deng's succession.

⁶⁴⁷ . In response to Italian Journalist Oriana Fallaci's opinion that "Mao himself" "chose Lin Biao as his successor" "in the same way as an emperor chooses his heir", Deng remarked that "for a leader to pick his own successor is a feudal practice" which is "an incorrect way" and "an illustration of the imperfections in our institutions". However, he repeated the mistake of Mao. See *Selected Works of Deng Xiaoping, 1979-1982*. Beijing: Foreign Languages Press, 1984, p.328.

Early in the 1980s, Deng began arranging the matters for the succession to himself and other leaders of the older generation. He stated that, in order to ensure the continuing vitality of the Communist regime, younger officials should be promoted to leading positions, requiring the old guard give up their posts to the next generation. Topping this agenda he set a personal example by not holding the highest offices and requiring other older top leaders to follow his example and resign office. However, he did not really want to leave the power centre. He tried to maintain his authority as the chairman of the Central Military Commission (CMC), while letting younger leaders take care of day-to-day matters of the party-state. Although semi-retired and without other official posts in the highest leading body, he still held immeasurable power, mainly in his ability to appoint senior officials and lead decision-making on major issues. Even after retirement from the CMC chairmanship, ill, and in the last days of his life, he mustered his forces to ensure continued political influence. The resolution to any problem involving the party-state could not come while Deng was an overlord in the PRC. Under such circumstances, a successor would not have real power until the death of Deng.

Deng chose Hu as his first heir. Hu became the party chief in the early 1980s, courtesy of Deng's single-handed arrangements.⁶⁴⁸ However, Deng became increasingly displeased with Hu, who stood for more openness in culture, ideology, politics and society, and was against the standpoints taken by Deng regarding stricter Communist control. Hu advocated political restructuring but the Deng-led old guard viewed this as a threat to the nation's political stability and unity, particularly the Communist monopoly on power. From the perspective of Deng, Hu went against the principle and tradition of a Leninist party-state and drew fire for his liberal stance. He was blamed for rightist deviation, for being inclined to democracy and liberality and for not insisting on the four cardinal principles.⁶⁴⁹ The student demonstrations for democracy and freedom at the end of 1986 and the beginning of 1987 became an

⁶⁴⁸ . Hu at first held the post of party chairman then served as the party general secretary. According to the party constitution of 1982, the party chairmanship was changed into the party general secretaryship. See Hu Sheng (ed.), *The Seven Decades of the Communist Party of China* (胡绳主编, *中国共产党的七十年*). Beijing: The History of the Communist Party of China Press (中共党史出版社), 1991, p.585.

⁶⁴⁹ . The four cardinal principles were put forward by Deng promoting upholding the socialist road, the proletariat dictatorship, the leadership of the Communist party of China and Marxism-Leninism

excuse to sack and discredit him. Hu was condemned for encouraging “bourgeois liberalisation” and conniving at “total Westernisation”. Especially he was criticised by Deng for going soft on political dissidents and taking a passive approach to persecution of intellectuals.⁶⁵⁰ Deng also believed that Hu would seek to take up the chair of the CMC and require Deng to resign as chairman.⁶⁵¹ Hu was dismissed from his post as secretary general on the grounds of his supposed responsibility for the student protests nation-wide. Although he was allowed to remain a member of the Politburo, he only played a symbolic role in maintaining the party’s unity.⁶⁵² However, Deng paid a high price for his mistake in appointing and dethroning such an heir. Hu’s dismissal was widely believed unjust. He became a hero in the eyes of the people. His death two years after his political downfall triggered the 1989 protests.

In the process of selecting a new successor after deposing Hu, Jiang was not considered a candidate by Deng. Theoretically, each member of the Politburo stood a chance of succeeding to the supreme leader, but Jiang was beyond Deng’s vision. This explains how he became the unexpected heir. Jiang’s behaviour in dealing with the student demonstrations was average. He held a conservative stance when tackling students on their political demands but failed to promptly calm down their demonstrations in Shanghai.⁶⁵³ Deng did not mention him in making a summary of the suppression of the student protests nation-wide. However, Deng gave praise to another member of the Politburo, Li Ruihuan, who was concurrently party chief in Tianjin, the third largest city in China. Despite holding a dialogue with the student demonstrators, Li declared that the party and government upheld the four cardinal principles and objected to the protests. Thus the student demonstrations in Tianjin

and Mao Zedong Thought. See Deng Xiaoping, “Uphold the Four Cardinal Principles,” in *Selected Works of Deng Xiaoping, 1979-1982*. Beijing: Foreign Languages Press, 1984, p.172.

⁶⁵⁰ . For Deng’s criticism of Hu’s right leaning deviationist view on “bourgeois liberalisation” and “all out Westernisation”, see *Selected Works of Deng Xiaoping, Vol. 3* (邓小平文选: 第三卷). Beijing: People’s Press (人民出版社), 1993, pp.194-202.

⁶⁵¹ . Lowell Dittmer, “Chinese Informal Politics,” *The China Journal*, No.34, July 1995, pp.25-26; David S. G. Goodman, *Deng Xiaoping and the Chinese Revolution: A Political Biography*. London; New York: Routledge, 1994, p.106.

⁶⁵² . Hu Sheng (ed.), *The Seven Decades of the Communist Party of China* (胡绳主编, 中国共产党的七十年). Beijing: The History of the Communist Party of China Press (中共党史出版社), 1991, pp.597-599.

were smaller in scale and over earlier than those in Shanghai.⁶⁵⁴ There were signs in Deng's praise of Li that he would be further promoted. Indeed, a year and a half later, he became a member of the party's Politburo Standing Committee. It seemed that he would have a brighter future political career than Jiang. Most remarkably, Deng favoured him to succeed himself in mid-1989 when the party elders considered replacing Zhao Ziyang with a new successor.⁶⁵⁵ This demonstrates that the later choice of Jiang as party chief was not a part of Deng's original succession strategy. Deng's praise of Li might have stimulated Jiang to take a stronger stance in tackling student protests. A year and a half later, Jiang was in Deng's good grace with his hard-line position in suppressing a student-led democratic movement in Shanghai and was selected as Deng's third successor.

Zhao Ziyang was originally Deng's second choice. Zhao was then premier and a member of the Politburo Standing Committee, second only to Hu in the Communist Party hierarchy. Zhao was a leading reformer being seen as the vanguard of Deng's modernisation program. He tried to maintain a balance between conservative politics and a liberal economy through putting forward a strategy in the party's thirteenth congress known as "one centre" and "two fundamental points".⁶⁵⁶ Zhao sought to carry out a substantial reform of the political system introducing and promoting elements of democracy such as a certain openness of the press, higher governmental transparency, social dialogue and anti-corruption mechanisms. Even though he favoured gradual and moderate reform rather than a radical political liberation, he did not gain Deng's support for his plan. Deng paid lip service to political reform but what he wanted was only an improvement of governmental institutions and an

⁶⁵³ . For Jiang's handling of the student demonstrations in Shanghai between the end of 1986 and the beginning of 1987, see Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.84-94.

⁶⁵⁴ . *Selected Works of Deng Xiaoping, Vol. 3* (邓小平文选: 第三卷). Beijing: People's Press (人民出版社), 1993, pp.197, 405.

⁶⁵⁵ . Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.256-263.

⁶⁵⁶ . "One centre" was concentrated on economic development and "two fundamental points" were that maintenance of the four cardinal principles on the one hand and the policies of reform and opening to the outside world on the other. See Hu Sheng (ed.), *The Seven Decades of the Communist Party of China* (胡绳主编, 中国共产党的七十年). Beijing: The History of the Communist Party of China Press (中共党史出版社), 1991, p.601.

increase of administrative efficiency, without weakening the Communist rule.⁶⁵⁷

Tensions between Deng and Zhao had been simmering as their political differences widened. Deng had considered replacing Zhao with another heir as early as 1989.⁶⁵⁸

A conflict of opinions on how to tackle the most difficult problem, the pro-democracy student demonstrations triggered by the death of Hu Yaobang brought both of them into crisis.⁶⁵⁹ The demonstrations were considered by Deng to be a major threat to the Communist regime. An editorial in *The People's Daily* on April 26 based on a keynote speech of Deng blamed the student protests for amounting to "a planned conspiracy" to negate the party's leadership while creating national turmoil. It demanded a prompt stop to all the demonstrations and threatened that activists would be severely punished. This indicated that Deng would use force against the peaceful protestors and was ready to sacrifice thousands of lives if that was the price of preserving Communist power. Meanwhile, Zhao did not think the students' aim was to topple the party, regarding their protests as patriotic. He articulated this judgement in his address to the Beijing conference of the Asian Development Bank on May 4. He sympathised with widespread student dissatisfaction with corruption and Communist Party mistakes, while suggesting it would be a positive impact on the nation's reform and modernisation drive. He expressed optimism over the protests, believing that tensions would be eased through the introduction of democratic principles and the rule of law.⁶⁶⁰

The publication of the actual state of affairs by Zhao whilst Deng remained wielding power despite retirement, led to a political rupture. When meeting the Soviet president, Michael Gorbachev, who was conducting a landmark visit to the PRC, Zhao revealed that although Deng was not in service in the highest leading body, he continued to be in charge of all important decisions in the party-state. Unravelling this poorly-kept secret provoked Deng to irritation. He viewed it as evidence of a political attempt by Zhao to pressure him to hand over power. Deng

⁶⁵⁷ . Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.284-286.

⁶⁵⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.130.

⁶⁵⁹ . For more information about the power struggle among the PRC leaders and the divergence of their views on how to deal with the pro-democracy student demonstrations. See Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001.

believed that Zhao was seeking to rush to take over from him on the excuse of being authorised to handle the students protests.⁶⁶¹ In mid-May 1989, Deng decided to impose martial law. At the meeting of the Politburo Standing Committee on May 17, a resolution on the declaration of martial law was adopted by a majority under Deng's powerful pressure. Zhao voted against declaring martial law, appealing instead for a peaceful end to the protests, but his arduous efforts failed. Premier Li Peng declared martial law and called in the military on May 19.⁶⁶² The day before imposing martial law, Zhao made a tearful, pre-dawn visit to the student demonstrators in Tiananmen Square.⁶⁶³ Following his appearance in public for the last time, Zhao was expelled from the party leadership and placed under virtual house arrest. In late-May, Deng made up his mind to replace Zhao with another heir.⁶⁶⁴

In view of the failure of his original choices of Hu and Zhao, Deng regarded conservative political standpoints, especially a tough stand toward the student demonstrations, as an important criterion in selecting a new heir while ignoring other factors. However, in order to avoid deepening the peoples' post-Tiananmen hostility, he did not choose a prominent figure, implicated in the massacre, such as Li Peng. He had to introduce a new face to stabilise the critical political situation.⁶⁶⁵ Jiang Zemin was picked to replace Zhao because Deng appreciated Jiang's firm Communist position, especially his strong stance and firm hand on the pro-democracy student movement in Shanghai. Moreover, Jiang was not publicly involved in the Tiananmen massacre.⁶⁶⁶ An appointment of Jiang as new party chief

⁶⁶⁰ . "Students in Favour of Zhao's Words," *Beijing Review*, May 15-21, 1989, p.7.

⁶⁶¹ . Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.176-177, 184-190; *Report on Putting Down Anti-Government Riot*. Beijing: New Star Publishers, 1989, pp.29-30.

⁶⁶² . "Martial Law: Declared But Not Enforced," *Beijing Review*, May 29-June 4, 1989, p.5.

⁶⁶³ . "Strikes Spark Political Crisis," *Beijing Review*, May 29-June 4, 1989, p.9,.

⁶⁶⁴ . Luo Bing, "Jiang Zemin Owed Blood Debts Over the June 4 Incident," (罗冰, "江泽民负六四血债,") *Cheng Ming Monthly (争鸣)*, No.236, June 1997, p.8; Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.256-263, 308-314.

⁶⁶⁵ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.131.

⁶⁶⁶ . Although Jiang was not entirely untainted in the public impression at home and abroad, it seems that Jiang was not personally involved in the decision and enforcement on the Tiananmen suppression.

On Jiang's role in the crackdown on Tiananmen Square, there are two different versions. One demonstrates that on the eve of the Tiananmen massacre in late-May 1989, Jiang had been called to Beijing, actually filling the *de facto* vacancy created by the informal dismissal of Zhao Ziyang who

could not intensify the confrontations between the Communist regime and the people inflamed by the Tiananmen massacre. When the 1989 student-led demonstrations broke out, Jiang was the Communist party secretary of China's biggest city. The *World Economic Herald* was a Shanghai-based weekly with a circulation of about 200,000, which was one of the PRC most outspoken newspapers. It advocated reforms, especially political reform, and had done so for 10 years. It had a great political influence nation-wide. Jiang ordered the paper shut because of its reports on Beijing's students' mourning for the death of Hu and its opinion on support for the pro-democracy student movement. Jiang's crackdown on the *World Economic Herald* impressed Deng who later turned to him to replace Zhao.⁶⁶⁷ Shortly after the Tiananmen massacre, at the Fourth Plenum of the 13th Central Committee of the Communist Party of China on June 23-24, Zhao was officially ousted as general secretary. Jiang was appointed as the new party chief.⁶⁶⁸ His acquisition of right of succession took people both inside and outside the country by surprise because he had neither an outstanding political history nor popularity.⁶⁶⁹

Summarily speaking, the fundamental political differences centring on how to deal with the pro-democracy student demonstrations became the principal reasons for the disgrace of Hu and Zhao by Deng. Taiwan policy never was a major factor in the political conflicts between the predecessor and his first two successors. For Hu's and Zhao's part, the Taiwan issue was not in their strategy of defending their own successor positions. Both generally carried out Deng's Taiwan policy, although

had been under virtual house arrest. Although Deng gave the direct order to fire on the demonstrators, Jiang took part in making decisions and leading actions on the suppression of the "counter-revolutionary rebellion." See Luo Bing, "Jiang Zemin Owed Blood Debts Over the June 4 Incident," (罗冰, "江泽民负六四血债,") *Cheng Ming Monthly* (争鸣), No.236, June 1997, pp.6-8. Another source indicates that at the time of the crackdown although Jiang had been called to Beijing to help deal with the Tiananmen pro-democracy protests and took part in suppressing them, he did not attend the meetings of making final decisions on the Tiananmen massacre on June 2 and 3. See Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.354-362, 368-370.

⁶⁶⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.115-125, 132.

⁶⁶⁸ . Hu Sheng (ed.), *The Seven Decades of the Communist Party of China* (胡绳主编, 中国共产党的七十年). Beijing: The History of the Communist Party of China Press(中共党史出版社), 1991, pp.611-612.

⁶⁶⁹ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.146-148.

Zhao maintained his own views.⁶⁷⁰ In an overall plan of political reform, Zhao put forward a proposal concerning dialogue between the two sides of the Taiwan Strait on the basis of equality. This went against Deng's approach of treating Taipei as a mere provincial government under the PRC central government. Furthermore, when meeting senior military officers in the province of Fujian, Zhao proposed that the PLA should withdraw further from the mainland's southeast coast, on the opposite side of the Taiwan Strait. However, Deng maintained that Beijing had reduced its military forces enough since the late 1970s for a thaw in cross-strait relations and criticised Zhao's proposal as arbitrary.⁶⁷¹ Nevertheless, this does not mean that Zhao was drawing up his own Taiwan policy. Neither Zhao nor Hu considered their most pressing task to be the review of PRC policy towards Taiwan. Instead, both felt the most important issue they faced was how to gain the military command to consolidate their successor positions.⁶⁷² The power of controlling the army is a crucial and sensitive question in the succession process. Hu never shouldered the duty of a leader in the high military command, despite his CPC chairmanship and position as general secretary, and when he revealed his intentions to become CMC chairman, he lost Deng's confidence.⁶⁷³ Although Zhao was the party general secretary, he only obtained the CMC first vice-chairmanship, was unable to command the army and had little say in military affairs. The CMC chairmanship was held by Deng who centralised power on major military issues and ensured the army's loyalty to himself. Therefore, Hu and Zhao struggled to obtain military power while striving to enjoy the trust of Deng. Meanwhile, Taiwan policy was not on the agenda

⁶⁷⁰ . Hu had followed Deng, delivering speeches about a naval blockade of Taiwan while threatening the use of force against Taiwan. See Martin L. Lasater, *Beijing's Blockade Threat to Taiwan*. Washington, D. C.: Heritage Foundation, 1985, p.1; The Government Information Office, *A Study of a Possible Communist Attack on Taiwan*. Taipei: The Government Information Office, 1992, pp.18-19, 22-23.

⁶⁷¹ . Neither Zhao's personal viewpoints on Taiwan policy nor his proposal that the PLA forces directed at Taiwan should withdraw further from the mainland's southeast coast were published. Zhao's documents and talks on these issues were detected by state security personnel and reported to Deng. See Tao Jianghe, "Deng Xiaoping Talked About the Use of Force Against Taiwan in a Series of Internal Addressees," (陶江和, "邓小平关于对台用武的系列内部讲话,") *Beijing Spring* (北京之春), No.24, May 1995, pp.53-54.

⁶⁷² . You Ji, "Jiang Zemin's Leadership and Chinese Elite Politics after 4 June 1990," Working Paper, No.221. Canberra: Strategic and Defence Studies Centre, Australian National University, December 1990, p.12.

⁶⁷³ . Lowell Dittmer, "Chinese Informal Politics," *The China Journal*, No.34, July 1995, pp.25-26; David S. G. Goodman, *Deng Xiaoping and the Chinese Revolution: A Political Biography*. London; New York: Routledge, 1994, p.106.

during the struggle for leadership succession between Hu and Zhao, and their contenders.

6.1-2. Jiang Zemin's Vulnerable Successor Position

Jiang Zemin's successor position was very weak and vulnerable immediately subsequent to his assumption of office.⁶⁷⁴ There was strong disapproval of his leadership succession by both the general public and elites. He suffered from a politically congenital deficiency which stemmed from Deng Xiaoping's hasty and rough succession rearrangements. Most unfavourably, his attainment of the position of party chief was through irregular processes.

Initially, Deng did not take Jiang into account. However, confronted by radical changes in the political situation and an apparent absence of suitable candidates acceptable to the party elders, Chen Yun and Li Xiannian, two veteran communists, recommended Jiang as a party chief. Deng allowed himself to be persuaded over the period of a week. As a result of compromise, Deng nominated Jiang for party general secretary and other elders agreed with this nomination. Nevertheless, the removal of Zhao Ziyang and Jiang's approval as general secretary were totally unconstitutional according to party rules, due to procedural irregularities. Theoretically, this decision should have been made by the Politburo Standing Committee, the top-ranking organ of the Communist Party. The elders' meetings possessed no lawful right to select the next general secretary. They had retired from most of their official posts in the party and government. Without going through the official procedure of a standing committee vote, Jiang was not a legitimate heir.⁶⁷⁵ This meant that his status as Deng's successor was weak and unstable.

Although Jiang was not widely seen as one of the most popular politicians in the PRC and did not enjoy close personal ties with Deng, he did fit by and large, Deng's criteria. Deng endorsed Jiang's resolute, hard-line stance and effective measures in

⁶⁷⁴ . For an overview of Jiang's vulnerable successor position, see You Ji, "Jiang Zemin's Leadership and Chinese Elite Politics after 4 June 1990," Working Paper, No.221. Canberra: Strategic and Defence Studies Centre, Australian National University, December 1990.

⁶⁷⁵ . Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.256-263, 308-314.

putting down pro-democracy student demonstrations in Shanghai, without calling in the army and causing bloody conflict. Jiang appeared to follow Deng's reform policies and seemed capable of facilitating a modernisation program. Deng also saw Jiang as a conciliator who would be likely to reconcile different party factions, playing off the two main factions against each other in an attempt to achieve a balance between reformists and conservatives. Such an arrangement would replicate the manipulation of factional struggles by Deng to retain his power.⁶⁷⁶ Without other competent candidates to fulfil Deng's criteria, Jiang, a dark horse, was selected to fill the post of party general secretary from virtual obscurity.

The suddenness of assuming the highest office even left Jiang finding himself at a loss.⁶⁷⁷ As a newcomer to the central political stage, he lacked the background, influence, seniority, prestige, experience and requisite ability. He did not have much administrative experience in the central authority, despite working at the ministerial level for several years and becoming the politburo member of local residents (who live in major provinces and cities but sometimes travel to Beijing for conferences) nearly two years before.⁶⁷⁸ More crucially, it was questionable as to whether the military would support him, given his lack of military background.⁶⁷⁹ Most questionably, his statecraft was widely doubted because he had no remarkable administrative achievements to prove that he would be able to lead a major country with a population of 1.2. billion.⁶⁸⁰ Under these circumstances, he had a weak mandate among the great majority of the people and had to do much to win a mandate and popularity.

Meanwhile, Jiang did not hold real power and had little authority within the governing strata. His rulership was encroached upon by the challenges of the

⁶⁷⁶ . Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. Princeton, New Jersey: Princeton University Press, 1994, pp.295-296; James A.R. Miles, *The Legacy of Tiananmen: China in Disarray*. Ann Arbor: University of Michigan Press, 1996, pp.275-276, 58.

⁶⁷⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.134-135.

⁶⁷⁸ . James A.R. Miles, *The Legacy of Tiananmen: China in Disarray*. Ann Arbor: University of Michigan Press, 1996, p.58.

⁶⁷⁹ . Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. Princeton, New Jersey: Princeton University Press, 1994, p.301.

⁶⁸⁰ . Many people viewed Jiang as a mediocre technical bureaucrat. When Jiang was in charge of the machinery and electronics industries as a minister of the State Council and served as mayor and party chief of Shanghai, he did not prove himself an effective administrator or accomplished leader. See

contenders for the succession as well as by other political heavyweights such as Yang Shangkun.⁶⁸¹ Jiang's weak leadership was reflected in his puppet-like capacity under Deng's overlordship. As the hand-picked successor of Deng, he was viewed both inside and outside the country as being under Deng's thumb.⁶⁸² He strove to win Deng's trust, being in the same position as a boy emperor who would have obeyed the retired Emperor father in the old dynasties. It is generally recognised that when Jiang came to power, Deng, in fact, remained supreme ruler despite having no an official position in the highest-ranking body. Deng did not really want to leave the political stage, and he attended to party-state affairs behind the scenes making all major foreign and domestic policies. Most importantly, Deng was still the final arbiter of all key party and governmental personnel appointments and dismissals, while continuing to play a role as an arbitrator in disputes between different factions. Outwardly, Deng handed over the party leadership to Jiang, but Jiang was only an implementer of Deng's decision-making.

Under these circumstances, Jiang lacked any sense of security. His relations with various party factions were far from stabilised. He became the man in the hotseat, and felt the pressure to deliver.⁶⁸³ Without any assurance of how long he could stay in power, he had to struggle for his political survival. He was haunted by fear of becoming a second Hua Guofeng. Whether he would be just a transitional figure became a popular topic at home and abroad and many expected his tenure to be short.⁶⁸⁴ Compared with previous PRC leaders who decisively established their

Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.340-341.

⁶⁸¹ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.146-147, 183.

⁶⁸² . James A.R. Miles, *The Legacy of Tiananmen: China in Disarray*. Ann Arbor: University of Michigan Press, 1996, p.58.

⁶⁸³ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.148.

⁶⁸⁴ . Hua Guofeng, Mao Zedong's hand-picked successor, is known as a transitional figure in the transfer of political power. He never held real power and was finally defeated by Deng Xiaoping in the power struggle for rulership in the post-Mao era. When Jiang assumed office, foreign specialists on Chinese politics, the international press and many domestic sources compared Jiang with Hua, merely an interim leader. This opinion had brought pressure to bear on Jiang during the early period of coming into power. See You Ji, "Jiang Zemin's Leadership and Chinese Elite Politics after 4 June 1990," Working Paper, No.221. Canberra: Strategic and Defence Studies Centre, Australian National University, December 1990, p.12; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.12; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.4, 146-147, 183.

leaderships, Jiang was the most vulnerable. With insufficient authority from the outset he did not occupy a dominant position.

Contenders for succession posed a threat to Jiang's new but weak leadership. On one hand, he had to prevent Zhao from re-appearing on the political scene. Zhao could always rehabilitate because he retained his party membership. When Mao Zedong purged Deng Xiaoping during the Cultural Revolution, Mao let Deng remain a member of the party, providing Deng with conditions through which he could restore his former posts and become the actual paramount leader. Drawing a lesson from this, Jiang watched Zhao carefully to prevent him from restoring himself to power.⁶⁸⁵ Although Zhao had been politically sidelined and was under virtual house arrest, he retained influence.⁶⁸⁶ Some officials, even members of the party's central committee, had asked for a suitable position for Zhao.⁶⁸⁷ Jiang feared Zhao could yet re-emerge as a rallying point for pro-democracy reformists in the party and government while also worrying that he enjoyed high prestige among the general public. Zhao retained his political resources and affiliations and these could impinge upon Jiang's leadership. For example, Tian Jiyun, a member of the Politburo, concurrently then vice-premier subsequently vice-chairman of the parliament, was a former right-hand man of Zhao, and used some occasions to attack Jiang.⁶⁸⁸ Those who occupied influential leading posts became more formidable rivals to Jiang, negatively impacting on his leadership stability in the critical moment of transferring

⁶⁸⁵ . At the Fourth Plenum of the 13th Central Committee of the Communist Party of China on June 23-24, 1989, Zhao Ziyang was dismissed from all leading posts in the party but was not expelled from the party. The Plenum decided Zhao's case would be further investigated. The Ninth Plenum of the 13th Central Committee of the Communist Party of China of 1992 made a decision to "sustain the verdict in the case". See "Zhao's Case Brought to an End," *Beijing Review*, October 19-25, 1992. For further information about Zhao's political activities after stepping down and Jiang's prevention of Zhao's restoration to power, see Yue Liming, "Zhao Ziyang's Elements Are Increasing in the Political Circles of Communist China," (岳立明, "中共政坛赵紫阳因素上升,") *China Spring* (中国之春), No.139, May 1995, pp.13-16; Li Zijing, "Distinguishing and Analysing the Hearsay on Zhao Ziyang," (黎自京, "赵紫阳传闻真伪辨,") *The Trend Magazine* (动向), No.106, June 1994, pp.14-15.

⁶⁸⁶ . For an overview suggesting that Zhao remained politically influential with the remnants of the Zhao faction, see Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.353-359, 381-382.

⁶⁸⁷ . Li Zijing, "The Newest Information About Zhao Ziyang," (黎自京, "赵紫阳的最新讯息,") *Cheng Ming Monthly* (争鸣), No.212, June 1995, pp.29-31.

⁶⁸⁸ . Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng* (Second Edition). New York: Cambridge University Press, 1997, pp.502-503, 507, 522; Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, p.382.

Deng's power to his new administration. They were reluctant to accept Jiang's succession and would not resign themselves to their defeat in the contest for supreme power. They considered Jiang as incompetent. They tried to block Jiang's leadership and even boycott his administrative policies to undermine his authority and credibility.

When analysing the contenders for the succession, it is essential to examine those specific individuals who were the most important contestants and, hence, most influential upon the succession process. In terms of the seniority, prestige, experience and political strength, those best able to contest the succession to Deng were Li Peng, Qiao Shi and Li Ruihuan. Both Li and Qiao were older than Jiang. These two principal rivals of Jiang became members of the Political Bureau in 1985 and members of the Politburo Standing Committee in 1987. They respectively represented two opposite factions at the top of the power structure, hard-liners and reformers. Both Li and Qiao had an advantage over Jiang in that their own factions stood firmly behind them. Li's faction was known as the state council faction while Qiao had his political and legal faction. Li had strong support among conservatives, in particular, the old guard. The party's liberal wing, advocating reform and openness, was at Qiao's back. Jiang was reluctantly acceptable to different factions, but had no solid power base. His own faction in the party-state centre had no time to organise in the early days when he came to power.⁶⁸⁹ Under such circumstances, the contention was fiercest between Jiang, Li Peng and Qiao.

Li Peng was number two in the Communist Party hierarchy after Jiang. As then premier, he had directed the State Council, the central body of government since 1987. He had the governmental system under his control and made most ministers side with him.⁶⁹⁰ Li sought to become Deng's successor and had vied with others for this goal for a long time. Li utilised the opportunity of the 1989 protests to take advantage of Zhao's unfavourable circumstances, especially Zhao's adverse handling of the student demonstrations, and played an important role in promoting Deng's

⁶⁸⁹ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.146.

⁶⁹⁰ . Li became premier in 1988 and was re-nominated as premier in 1993. See The Editorial Board of Who's Who in China (中国人名大词典编辑部), *Who's Who in China Current Leaders* (中国人名大词典: 现任党政军领导人特卷). Beijing: Foreign Languages Press (外文出版社), 1994, p.312.

resolve to dismiss Zhao and use force against the peaceful demonstrators. Yet Li did not realise his ambition of becoming the successor despite taking the lead in the Tiananmen crackdown to defend the Communist regime. He was deeply convinced that Jiang had rushed into seizing the fruits of victory over Zhao. Li's views were shared by Chen Xitong, a member of the Politburo and Beijing party chief, who also played an important role in the Tiananmen crackdown. Li and Chen considered Jiang's winning of the right of succession unreasonable and his successor position as weak. This bore the seeds of the next round of struggle for the leadership succession.⁶⁹¹ Meanwhile, Li, as a hard-liner, made an evil reputation for himself for his leading role in the 1989 events and was blamed by many for the Tiananmen massacre after he barked out the order declaring martial law on television on May 20. He found himself largely isolated following the appointment of Jiang as party chief.⁶⁹² In order to retrieve his reputation and improve his own position, he had to compromise with Jiang.⁶⁹³ Jiang was ready to come to terms. Both shared the same basic conservatism and sought for a balance of power in favour of themselves. This was why the contention between Li and Jiang remained, but did not intensify dramatically.⁶⁹⁴

⁶⁹¹ . Although Li failed to become the successor and would have to step down as the premier because of "the two-term limit set by the Chinese constitution, he is said to be unwilling to retire. Reportedly, he aspires to be either the PRC president or the general secretary of" the CPC, "both positions currently occupied by Jiang Zemin". See Minxin Pei, "Racing Against Time: Institutional Decay and Renewal in China," in William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, pp.16-17.

⁶⁹² . For a view of the political environment surrounding Li, see Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.351-353.

⁶⁹³ . There are different views about Li Peng's political resources and influence. According to Ruan Ming, a former political adviser to the late CPC secretary general, Hu Yaobang, Li was in a weak position because of Jiang's limits on his power. While discussing the PRC political situation after the 1989 Tiananmen massacre, Ruan expressed his views to Michael Oksenberg, a top American specialist in China, who considered Li powerful. See Ruan Ming, "The PRC WTO (the World Trade Organisation) Entry and Dual Character the Jiang Zemin Empire," (阮铭, "入世与江泽民帝国的双重性格,") *Cheng Ming Monthly* (争鸣), No.266, December 1999, p.39.

⁶⁹⁴ . You Ji, "Jiang Zemin's Leadership and Chinese Elite Politics after 4 June 1990," Working Paper, No.221. Canberra: Strategic and Defence Studies Centre, Australian National University, December 1990, p.6; Chwenliang Pao, "The Founding of Jiang's Era—A Perspective from the 'Occupation Distribution Model'," (包淳亮, "江核心的建立—职务分配模式的观点,") *China Affairs* (中国事务), No.1, July 2000, p.95. For further analyses of the contentions between Jiang and Li and their coalition, see You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki, (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.4-6.

Qiao Shi was the third ranking leader in the party. Qiao had his own solid power base. He held the PRC parliament chairmanship as his main duty. In addition, as previous chief of the party's Organisation Department and then president of the Party School of the party's Central Committee, he had an important voice in most party and government personnel decisions. He had served as secretary of the Central Political and Legal Affairs Commission of the party's Central Committee since 1985 and as secretary of the party's Central Commission for Disciplinary Inspection since 1987.⁶⁹⁵ With two such powerful positions, he dominated the state security apparatus and was in charge of purging the party of disloyal or corrupt members. More importantly, as an internal security czar, he had power over the People's Armed Police, a paramilitary organisation. A major move was that he had taken full advantage of the parliament as a strong power base to weaken Jiang's leadership.⁶⁹⁶ Widely considered a reformist leader, he had the political capital to take the initiative on major issues. Thus he was believed to have a greater political influence than Li Peng. Of the three top contenders, the struggle for succession to Deng between Qiao and Jiang was fiercer than that between Li Peng and Jiang or Li Ruihuan and Jiang.⁶⁹⁷ Qiao was backed by President Yang Shangkun. When the party elders decided to dismiss Zhao Ziyang and discussed the question of who would be the more suitable successor, Yang proposed that "I would nominate him (Qiao) to be general secretary".⁶⁹⁸ In 1992, Yang and Qiao took advantage of Deng's tour of southern China and Jiang's political crisis, conspiring to replace Jiang with Qiao as general

⁶⁹⁵ . See The Editorial Board of Who's Who in China (中国人名大词典编辑部), *Who's Who in China Current Leaders* (中国人名大词典: 现任党政军领导人特卷). Beijing: Foreign Languages Press (外文出版社), 1994, pp.502-503.

⁶⁹⁶ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.109-122.

⁶⁹⁷ . See Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng* (*Second Edition*). New York: Cambridge University Press, 1997, pp.521-522. Also see Minxin Pei, "Racing Against Time: Institutional Decay and Renewal in China," in William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, p.16. However, Frederick C. Teiwes suggests that it seemed that Qiao Shi did not make "an attempt to oust Jiang" and unlikely challenged Jiang's successor position. See Frederick C. Teiwes, "Normal Politics with Chinese Characteristics," *The China Journal*, No.45, January 2001, pp.73-74.

⁶⁹⁸ . Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.256-263.

secretary.⁶⁹⁹ However, generally speaking, Jiang and Qiao managed to avoid an open and direct conflict.⁷⁰⁰

Li Ruihuan is a singular case and is different from Li Peng and Qiao. He was sixth-ranking member of the party hierarchy in mid-1989 and ranked fourth on the hierarchic list of leaders in 1992.⁷⁰¹ He had an advantage in the competition to be Deng's heir. His valuable political capital was Deng's backing. Deng favoured him to succeed himself when the party elders considered replacing Zhao Ziyang with a new successor. Deng had a high opinion of him despite his lack of qualifications.⁷⁰² He was 8 years younger than Jiang and, before being elevated to the Politburo Standing Committee, he ranked almost the same as Jiang in seniority and experience within the party leadership. In addition, he was famous as a moderate who was open-minded about social change. Having the reputation of a reformist, he advocated economic and political reform and openness to the outside world. With this approach, he enjoyed public support among the grassroots and intellectuals. He felt sympathy for the broad masses of the people and was concerned with their wellbeing, while often expressing his opinion in favour of liberal intellectuals. In sharp contrast to Jiang's hard-line and low popularity, he was a popular figure. Yet, in competing to fill the vacancy that Deng left, he lacked political strength and influence over the coercive apparatuses.⁷⁰³ From 1989 to 1992, he was in charge of the party's ideology but had no real power in the party, government and military. He became less influential after holding the position of head of the Chinese People's Political Consultative Conference in 1993, a largely powerless group playing a symbolic role as a democratic facade. However, he had been at loggerheads with Jiang contending

⁶⁹⁹ . Ao Feng, "Jiang Zemin Intends to Reduce Hu Jintao to a Mere Figurehead," (敖锋, "江泽民准备架空胡锦涛,") *Cheng Ming Monthly* (争鸣), No.290, December 2001, pp.23-24.

⁷⁰⁰ . Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.286-287.

⁷⁰¹ . "Profiles of the Party's Leaders," *Beijing Review*, July 10-16, 1989, pp.17-21; "New Party Leadership Line-Up," *Beijing Review*, November 2-8, 1992, pp.9-13.

⁷⁰² . Andrew J. Nathan and Perry Link (eds) (compiled by Zhang Liang), *The Tiananmen Papers: The Chinese Leadership's Decision to Use Force Against Their Own People*. New York: PublicAffairs, 2001, pp.256-263.

⁷⁰³ . According to Bruce Gilley, Li Ruihuan was "hopelessly liberal" and "powerless", see Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.198; For more information about Li's political standpoints and place in the power structure, see Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.361-363.

for the status of Deng's successor. Thus, in this study, he is viewed as a long-term competitor for Jiang's successor position.

Comparatively speaking, in the early period when Jiang took charge of the leading body other rivals, some ordinary politburo members, emerged to struggle for the succession for a time. There were two main cliques. One was the Chen Xitong-led Beijing faction.⁷⁰⁴ Another was the Yang family generals,⁷⁰⁵ President Yang Shangkun and his younger half brother Yang Baibing, the Secretary-General of the CMC.⁷⁰⁶ Neither Chen nor Yang were viewed as suitable or possible successors. However, Chen was a wild-man who dared to challenge Jiang and Yang was a powerful man who had leverage in the centre of power. The Chen-led Beijing faction controlled the capital, the political heartland. This seriously concerned Jiang for his leadership. The Yang family generals held military command which played a decisive role in the succession struggle. These two cliques were perceived by Jiang as the two political forces most likely to immediately threaten his position.

6.1-3. Jiang Zemin's Struggles to Consolidate His Successor Position

Faced with these contenders for succession, the consolidation of his successor position became Jiang's most pressing task. Yet, he was cautious in dealing with his political opponents. His strategic principle was to maintain and enhance his position as Deng's stable successor, to accumulate strength and wait for his chance to defeat

⁷⁰⁴ . For more information on Chen, see The Editorial Board of Who's Who in China (中国人名大词典编辑部), *Who's Who in China Current Leaders* (中国人名大词典: 现任党政军领导人特卷). Beijing: Foreign Languages Press (外文出版社), 1994, p.65.

⁷⁰⁵ . Because the Yang brothers formed an unprecedented family group at the top of the military apparatus, the two Yangs are widely called the Yang family generals, drawing the name from a famous story in China history.

⁷⁰⁶ . Yang Shangkun had concurrently been Politburo member from 1987 to 1992 and permanent vice-chairman of the CMC from 1987 to 1989. He replaced Zhao Ziyang becoming CMC first vice-chairman from 1989 to 1992. See Hu Sheng (ed.), *The Seven Decades of the Communist party of China* (胡绳主编, 中国共产党的七十年). Beijing: The History of the Communist Party of China Press (中共党史出版社), 1991, p.603; "Deng Retires, Jiang Appointed Military Chief," *Beijing Review*, November 20-26, 1989, p.5. For further information about Yang Shangkun, see Michael D. Swaine, *The Military & Political Succession in China: Leadership, Institutions, Beliefs*. Santa Monica, Ca: Rand Corporation, 1992, pp.33-35. In addition, Yang Baibing had concurrently been Secretariat member of the party's Central Committee and director of General Political Department of the PLA from 1989 to 1992. See The Editorial Board of Who's Who in China (中国人名大词典编辑部), *Who's Who in China Current Leaders* (中国人名大词典: 现任党政军领导人特卷). Beijing: Foreign Languages Press (外文出版社), 1994, pp.768-769.

his rivals while relying on Deng's support. With a cautious approach to the defence of his position, his strategic calculations of purging political opponents were successfully brought about over several years. He settled with the Beijing faction led by Chen Xitong and backed by Li Peng in 1995, as well as the Yang family generals in 1992, thwarting their intentions to usurp his position as 'crown prince'. Primarily, in the initial stages of his succession, Jiang depended on Deng for leadership stability. Jiang's tactic of succeeding to Deng was that there would be no haste. Jiang was not anxious to assert control over all party-state departments while sharing power in a collective leadership.⁷⁰⁷ He avoided invoking fear of his overlordship while doing his best to win Deng's confidence.⁷⁰⁸ He was prepared to wait to fill Deng's vacant chair after the death of his mentor. Jiang's tactic finally proved successful despite Deng's suspicions about his loyalty and ability at one time.⁷⁰⁹

As Jiang strove for Deng's backing, Deng made an effort to bolster Jiang's image and authority as leader. Indeed, he was aware that it was unlikely that his successor would have much of a mandate. Deng backed up Jiang and helped to train his administrative ability. For example, he looked for an invitation to visit Washington for Jiang to help boost his international profile.⁷¹⁰ Mainly, Deng undertook two major moves to consolidate Jiang's heirship. One was that he handed over military command to Jiang and deterred those who sought to replace him. Deng resigned as the chairman of the Central Military Commission (CMC) and granted Jiang the CMC chairmanship in November 1989.⁷¹¹ Few people believed that Deng's position as overlord would be affected by his formal resignation from his last leading post. This notwithstanding, Deng had bolstered Jiang's position as his heir by leaving the command of the country's military forces in the hands of his favoured successor. Neither Hu Yaobang nor Zhao Ziyang had obtained control over the CMC. This

⁷⁰⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.183.

⁷⁰⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.168.

⁷⁰⁹ . For an examination of Jiang's efforts to consolidate his successor position, see Paul Cavey, "Building a Power Base: Jiang Zemin and the Post-Deng Succession," *Issues & Studies*, Vol.33, No.11, November 1997, pp.1-34.

⁷¹⁰ . Yet Deng's proposal that Washington should extend an invitation to Jiang Zemin for his visit to the United States failed, with the Bush Administration politely refused this proposal. See "Deng Xiaoping Had a Great Mind to Patronise Jiang Zemin after the June 4 incident," [“(邓小平)六四后刻意栽培江泽民,”] *TTNN (华讯每日新闻)*, October 3, 1998.

⁷¹¹ . "Deng Retires, Jiang Appointed Military Chief," *Beijing Review*, November 20-26, 1989, p.5.

indicated that the Deng Xiaoping era was approaching its end and Jiang was taking over. In the meantime, when Jiang's heirship invoked opposition, Deng protected him from the contenders for succession. Originally, they had been waiting for an opportunity to step into the shoes of Deng. However, following Zhao Ziyang's fall from power, they failed in the competition with Jiang. While giving credit to the capability of Jiang, Deng taught them that they could not but submit themselves to Jiang's leadership. Deng also called for unity among members of the central leading body to solve the country's urgent problems. In an effort to persuade them to accept Jiang's new administration, Deng tried to adopt a code of conduct to bring order to competing claims over the leadership succession and curb their ambitions to replace Jiang. Deng named Jiang the core of the third-generation leadership while describing Mao Zedong and himself respectively as the leaders of the first and second generations of revolutionaries in order to make Jiang's succession appear legitimate.⁷¹² Meanwhile, Deng established the collective leadership system for Jiang's administration, indicating that Jiang had to share power with other members of the leading body, including his political rivals.⁷¹³

Although Jiang had established his leadership, he still faced severe challenges in consolidating his power. Two years after coming into office, he had to rise to a challenge that threatened his successor position. The source of the biggest political crisis since he assumed power stemmed from Jiang's overlord, who was losing his trust in Jiang. The main reason for this was that Deng began to doubt whether Jiang could loyally follow the reformist policy that he had initiated since 1978. When Jiang failed to make reform and promote openness as a centrepiece of his rule, Deng had become displeased with him and, in particular, his misadministration of the economy. In the early days when Jiang came to power, Deng required that the new leading body must be reform-oriented. He instructed Jiang to satisfy the people by delivering economic benefits. He warned his heir that the party's relationship with the people was damaged by the Tiananmen events and had to be mended. Jiang was told that an economic performance with further reform and opening-up would be the

⁷¹² . Benjamin Yang, *Deng: A Political Biography*. Armonk, New York: M.E. Sharpe, 1998, p.259; *Selected Works of Deng Xiaoping, Vol. 3* (邓小平文选: 第三卷). Beijing: People's Press (人民出版社), 1993, pp.296-301, 309-310.

⁷¹³ . *Selected Works of Deng Xiaoping, Vol. 3* (邓小平文选: 第三卷). Beijing: People's Press

basis for winning public support and stabilising the regime. In doing so, another Tiananmen event would be avoided and Beijing's international status would be improved.⁷¹⁴ Deng was disappointed that Jiang moved in the reverse direction and did not implement his instructions. Jiang placed emphasis on Marxist ideological rectification while seeking to downgrade the focus on economic development. He had carried forward an anti-peaceful evolution drive to raise the country against an alleged American plot to overthrow Communist China. In view of the mistakes of two former general secretaries of the party regarding "bourgeois liberalisation" and "total Westernisation", Jiang took an extremely conservative stance on reform and opening-up. Jiang's representative theory consisted of two different visions of reform socialist and capitalist. His view was given full expression in his keynote speech of 1991.⁷¹⁵ He warned of the danger that some hostile forces at home and abroad, under the banner of reform and opening-up, were attempting to create a "peaceful evolution" in the PRC to change its socialist reform into capitalist one. He placed the stress on ideology in pursuit of orthodox socialism, leaving concern about the country's economy in second place.

Deng's guiding principle in ruling the country was pragmatism.⁷¹⁶ Deng was nicknamed the chief architect of the PRC reform and open policy and helped usher in historic economic reforms. He anxiously watched Jiang's conservative administrative programme, maintaining that Jiang's two different visions of reform were wrong.⁷¹⁷ He summed up his own theory as socialism with Chinese characteristics, which had provided a model for blending communism in politics and capitalism in economy. With these two different hands, economic liberalisation and political stability could be reconciled, keeping the Communist Party in power. Jiang wrongly understood Deng's statecraft, holding that both economy and politics should be controlled tightly. Such a mistaken understanding nearly resulted in a political blunder. Worse, in terms of how to deal with the impact of the dissolution of the

(人民出版社), 1993, pp.318-319.

⁷¹⁴ . *Selected Works of Deng Xiaoping, Vol. 3* (邓小平文选: 第三卷). Beijing: People's Press (人民出版社), 1993, pp.296-300, 312-314, 317-318, 321.

⁷¹⁵ . "Building Socialism the Chinese Way—A Speech Delivered by Jiang Zemin on July 1, 1991 at a Meeting Marking the 70th Anniversary of the Founding of the Communist Party of China," *Beijing Review*, July 8-14, 1991, pp.14-31.

⁷¹⁶ . Deng's famous dictum was that "it does not matter if a cat is black or white as long as it catches mice." This is widely circulated among Chinese people.

former Soviet Union and the people power revolutions in Eastern Europe, the political differences between Deng and Jiang deepened. Thrown into panic and confusion by the collapse of the Soviet Union and the Eastern Bloc, Jiang focussed his minds on politics and ideology to hang on to Communist power. He intensified his program of anti-peaceful evolution while quickening the move away from Deng's reformist policy. However, Deng held opposite views, believing that Jiang magnified the peril and did not have a clear understanding of the crux of the matter. A central lesson that Deng drew from the fall of Soviet communism was that the Communist party's legitimacy could be called into question by economic failure. Deng had been worried about the nation's future economic development two years after Jiang became his successor. Deng believed that under the leadership of Jiang, the PRC was returning to a hard-line on the economy and its reform and opening-up was regressing. After 12 years of great expansion since 1978, the PRC began to witness a decline in economic growth beginning in 1990. Deng was concerned that the country's economy was sliding downhill and maintained that the country must sustain rapid economic development to maintain the survival of Communist China. He resolved upon clarifying the party's political programmes and governmental policies that had been confused by Jiang while teaching his successor a lesson.⁷¹⁸

In early 1992, Deng made his landmark tour of southern China, launching a campaign for more and faster reform and opening-up. Deng's significant public appearance after retiring came as an astonishing domestic political change, amazing the world. During the trip, he declared his disapproval of Jiang's economic conservatism and gave his blessing to continued economic reform. He strongly believed that the goal of market socialism was correct and that the party should stick to this line and devote its resources to economic construction. In terms of the essence of socialism, he maintained that to judge a move as "socialist" or "capitalist" would depend mainly on whether it would be assessed as raising productivity, living standards and the nation's strength, rather than by political and ideological labels.⁷¹⁹

⁷¹⁷ . Benjamin Yang, *Deng: A Political Biography*. Armonk, New York: M.E. Sharpe, 1998, p.260.

⁷¹⁸ . For the political differences between Deng and Jiang as well as Deng's displeasure with Jiang, see James A.R. Miles, *The Legacy of Tiananmen: China in Disarray*. Ann Arbor: University of Michigan Press, 1996, pp.71-107.

⁷¹⁹ . For Deng's talks during his 1992 tour of southern China, see *Selected Works of Deng Xiaoping*, Vol. 3 (邓小平文选: 第三卷). Beijing: People's Press (人民出版社), 1993, pp.370-383.

In a call for faster and deeper economic change, Deng placed pressure on Jiang to force forward the stalled economic reform plans. Most seriously, he gave Jiang a serious warning that those who vacillated and failed to adhere to the road of reform and opening-up should step down from their positions of power. This came amid speculation that Jiang could be forced into resignation to make way for economic reformers favoured by Deng.⁷²⁰

1992 was a pivotal year for Jiang, in which the political storms sparked by Deng's tour of southern China haunted his general secretaryship of the party. Being aware of the seriousness of this political crisis, Jiang tried to satisfy the angry overlord. The key to defusing the crisis was to promptly respond to Deng's reformist policy. In a bid to quell growing censure of his administration, especially his extremely conservative economic policy, he made a self-criticism. Jiang acknowledged his lack of enthusiasm for reform and took responsibility for the problems resulting from stagnant reform and opening-up. He stated his deep commitment to carrying out Deng's policy to adhere to economic reform and development as his central task.⁷²¹ In addition, Jiang undertook a set of major measures to relieve his political crisis. Under Jiang's instructions, the media had switched to playing up Deng's theory of socialism with Chinese characteristics while propagating Deng's speeches during his trip to south. A special conference of the Politburo presided over by Jiang was held to discuss how to respond to Deng's remarks. The conference declared that the Politburo would lead all the party members to study and implement Deng's "constructive speeches" during his "inspection tour".⁷²² This was Jiang's most dramatic attempt to ease the biggest political crisis of his two year general secretaryship. In mid-year, he delivered a speech to senior officials at the Central Party School, hailing Deng's instructions and urging them to carry out Deng's reformist and opening-up policies more boldly.⁷²³ By correcting mistakes and proceeding with his work on reform and opening-up, he had gained much needed

⁷²⁰ . James A.R. Miles, *The Legacy of Tiananmen: China in Disarray*. Ann Arbor: University of Michigan Press, 1996, p.98; "Before Yang Family Generals Were Removed from Office, Yang Shangkun Had Intended to Oust Jiang Zemin and Li Peng from Office," ("杨家将削权前 杨尚昆曾想拉江泽民·李鹏下台,") *TTNN (华讯每日新闻)*, September 20, 1998.

⁷²¹ . Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng (Second Edition)*. New York: Cambridge University Press, 1997, p.500; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.186-187.

⁷²² . "Politburo Urges Bolder Reforms," *Beijing Review*, March 23-29, 1992, p.5.

credit after his earlier moves tightening ideological campaigns. Furthermore, at the party's 14th National Congress at the end of the year, Jiang spoke highly of Deng's theory on building socialism with Chinese characteristics, particularly his policy of reform and openness, and encouraged delegates to discuss how this theory would be practised. Jiang's political report proclaimed that Deng's southern tour had charted the course for the party and country, while defining the historical role of his remarks during this tour as a bid to guide the present and future work. Jiang pledged to follow Deng's line and devote himself to the reformist course while conducting less ideological indoctrination. His report introduced the market economy, putting forward concrete measures concerning how to quicken the pace of the country's economic construction.⁷²⁴ Jiang had used the congress to boost his image as a keen follower of his mentor. As a result, he rode out the biggest political crisis since he assumed power.

Deng did not press ahead with his plan to dismiss Jiang. Analytically speaking, there were three main reasons. Principally, Deng was moved by Jiang's self-criticism and expression of his deep commitment to reform and opening-up. Deng found Jiang was sincere and fearful in criticising himself and believed that Jiang had learned a lesson from the crisis and should be given another chance to atone for his misdeeds. This gave Deng an important reason to retreat from a dethroning process.⁷²⁵ Additionally, on deciding whether to oust Jiang and appoint a new successor, Deng's considerations that another dismissal could cause political instability played a large role. He clearly knew that the contenders for the succession were trying to find an opportunity to arise again for a new contest. Meanwhile, his poor health in his last years made him unable to withstand a new political struggle. Also, another succession struggle could damage Deng's own credibility. He had deposed two heirs, invoking a bad reputation, an inconstant sort of fellow, for

⁷²³ . "China's Reform Called a 'Revolution'," *Beijing Review*, June 22-28, 1992, p.4.

⁷²⁴ . For full text of the political report delivered by Jiang Zemin at the party's 14th National Congress, see "Accelerating Reform and Opening-Up," *Beijing Review*, October 26-November 1, 1992, pp.9-32.

⁷²⁵ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.190; "Before Yang Family Generals Were Removed from Office, Yang Shangkun Had Intended to Oust Jiang Zemin and Li Peng from Office," ("杨家将削权前 杨尚昆曾想拉江泽民·李鹏下台,") *TTNN (华讯每日新闻)*, September 20, 1998.

himself. This forced him to give up his original deposition plan.⁷²⁶ As a result of these second thoughts, Jiang's successor position was retained.

After changing his mind about replacing Jiang with other successors, Deng supported Jiang's consolidation of his leadership.⁷²⁷ In order to shake off the yoke of veteran leaders on Jiang, Deng abolished the Central Advisory Commission (CAC).⁷²⁸ This strengthened Jiang's political place in the power structure, reducing the informal power of the retired senior officials. Further, Deng proposed Jiang for the state presidency, another major move in propping him up.⁷²⁹ By holding the presidency in addition to the two other top posts of party chief and head of the military, Jiang concentrated all the power of party, military and state on himself, boosting his authority. More significant, with the help of Deng, Jiang defeated his two political enemies, the Beijing faction headed by Chen Xitong and the Yang family generals, reinforcing his political strength.⁷³⁰

One of Jiang's triumphs in the defence of his successor position was that he led his Shanghai faction to defeat the rebellious Beijing faction headed by key rival, Chen Xitong.⁷³¹ When the new central leading body was reorganised with Jiang as its core after the 1989 Tiananmen events, Chen was placed in the back rows of the leading list, and complained that he was unfairly being sidelined. As a state councillor and mayor of Beijing, Chen was a key figure in the 1989 crackdown on

⁷²⁶ . The Editor's Note, "The Hidden Danger inside the Red Wall," (编后议, "红墙之内的隐患,") *Cheng Ming Monthly* (争鸣), No.277, November 2000, p.10.

⁷²⁷ . Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.32, 338-339.

⁷²⁸ . The CAC was an instrument for legitimating the retired senior officials to interfere in the party and government affairs. It was established in the party's 12th National Congress of 1982 and was continued in the 13th National Congress of 1987 but dissolved in the 14th National Congress of 1992. See Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.248-252.

⁷²⁹ . Chwenliang Pao, "The Founding of Jiang's Era—A Perspective from the 'Occupation Distribution Model'," (包淳亮, "江核心的建立—职务分配模式的观点,") *China Affairs* (中国事务), No.1, July 2000, p.97.

⁷³⁰ . For an exploration of the power struggle between the Yang family generals and Jiang Zemin for Deng's leadership succession, see Chapter 8.2-1. Jiang Zemin's Relationship with the Military.

⁷³¹ . However, Frederick C. Teiwes and Joseph Fewsmith consider that Chen Xitong was not a nemesis of Jiang and there was little to demonstrate a power-game between Chen and Jiang. See Frederick C. Teiwes, "Normal Politics with Chinese Characteristics," *The China Journal*, No.45, January 2001, pp.73-74. Although Teiwes quotes from You Ji's work to justify his own argument, You views Chen's case from a wider perspective in dealing with "Jiang's efforts to consolidate his power base". See You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.12-17.

the pro-democracy demonstrators in Tiananmen square.⁷³² After the crackdown he was elevated to Politburo member and Beijing party boss but he believed that he should be promoted to a higher rank, even the top job as a reward for his meritorious deeds. In Chen's eyes, Jiang made little contribution to the Tiananmen crackdown to defend the Communist regime, but had rushed in to seize the fruits of victory over Zhao Ziyang. A resentful Chen built a rebellious clique against Jiang. A ruler of Beijing from 1983 to 1995, Chen had enjoyed unchallenged power in the capital. He had sought to forge an opposition coalition with the state council faction headed by Premier Li Peng to remove Jiang from of the party general secretaryship. Also, Chen caballed with some local political forces led by provincial leaders to oppose Jiang's incremental promotion of Shanghai native officials into the central authority.⁷³³ Unless Jiang could squash this rebellion, it would damage his authority and lead to his downfall. Yet, with Chen entrenched in the capital, Jiang found it hard to hit his political opponent. Nevertheless, Jiang suppressed this rebellion by taking advantage of its corruption and scandals to damage it.⁷³⁴ The capital's graft scandal broke in April 1995 when then Beijing's executive vice mayor Wang Baosen, a close associate of Chen, committed suicide as the central authority's investigators closed in on him. Shortly after the suicide of Wang, Chen was detained on suspicion of leading a cabal of corrupt Beijing officials. Premier Li Peng sought to protect his ally but was unable to save Chen. Chen was arrested, stripped of his posts and given a 16-year sentence. Deng supported Jiang for purging and imprisoning Chen and many of his followers. Dozens of other senior members of the Beijing party committee and municipal government had been dismissed and sentenced due to

⁷³² . His strong demand on tough response to the student-led protests was one of the shrillest voices calling for a crackdown. He earlier reported to Deng Xiaoping on the conspiracy behind the protest urging Deng to make a decision to suppress the peaceful demonstrators. Subsequently, Chen signed the orders to enforce martial law in the capital and announced the army's strike on Beijing while participating in commanding the massacre. See *Report on Putting Down Anti-Government Riot*. Beijing: New Star Publishers, 1989; Scott Simmie and Bob Nixon, *Tiananmen Square*. Vancouver: Douglas & McIntyre, 1989, pp.133-134.

⁷³³ . Luo Bing, " 'Jiang Core' Is Besieged on All Sides," (罗冰, "江核心四面楚歌,") *Cheng Ming Monthly* (争鸣), No.207, January 1995, pp.6-8; Wang Haitao, "The Chen Xitong Case Involves Officials at the Top Leadership," (汪海涛, "陈希同案涉最高层,") *Open Magazine* (开放), No.113, May 1995, p.15.

⁷³⁴ . Jiang launched an anti-corruption crusade in early 1995, targeting his political opponents, mainly his chief political enemy, the Beijing faction led by Chen. See "Renewed Campaign Against Corruption," *Beijing Review*, February 13-19, 1995, p.6; The Research Institute for Peace and Security, Tokyo (compiled), *Asian Security: 1995-96*. London: Brassey's, 1995, pp.82-83.

accusations of corruption.⁷³⁵ The downfall and imprisonment of the capital's strongman and his clique strengthened Jiang's resolve to punish rebellions, sending a sharp warning to other high-ranking officials and encouraging obedience. Thereby Jiang had deterred those who intended to challenge his authority and consolidated his leadership.

One of Jiang's important moves consolidating his right of succession was to form his Shanghai faction and entrench itself in the central authority. At his assumption of office, Jiang was alone and helpless. Under the pressure of jealousies and despite hostilities among officials of the central bureaucratic system, he felt keenly the necessity to forge a ring of his own people in the centre of power.⁷³⁶ When he took up his post, he brought just one senior official from Shanghai, Zeng Qinghong, with him to Beijing. Zeng was his associate, then deputy secretary of the Shanghai party committee. From 1989 to 1993, he served as deputy director of the general office of the party's Central Committee, the nerve centre of the party. Then, he was shifted into the chief position and was concurrently secretary of the work committee of central party and state organs. He had control over most of the key sectors by keeping routine affairs of the party-state under his direct control.⁷³⁷ With the assistance of an energetic and talented Zeng, Jiang had expanded the Shanghai faction's ranks and influence. Loyal Jiang Faction members had become a powerful conglomerate, and, by 1995, had been assigned to a number of important posts in the central apparatus, while also being placed in high posts in other provinces and major cities, even Beijing.⁷³⁸ Major personnel changes in favour of the Shanghai faction reached a height between 1994 and 1995 when Jiang moved to speed up rejuvenation

⁷³⁵ . Chen Xitong stepped down from his post as Beijing party chief and was put under house arrest in April 1995. In the Fifth Plenary Session of the CPC 14th Central Committee in September 1995, he was dismissed from the Political Bureau and Central Committee and then was handed over to prosecutors. He was jailed for 16 years for corruption and dereliction of duty in August 1998. For more information about the Chen Xitong case and the power struggle between Jiang and Chen, see Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.31-32; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.241-247,

⁷³⁶ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.17.

⁷³⁷ . Pan Yongchang and Zhong Shi, "The Red Patron for the Major Favourite under Jiang," (潘永昌·钟实, "江手下大红人的红色靠山,") *Cheng Ming Monthly* (争鸣), No.219, January 1996, p.42; Pan Yongchang and Zhong Shi, "Zeng Qinghong on the Quite Organises the Team of Jiang Core," (潘永昌·钟实, "曾庆红暗营江核心班底,") *Cheng Ming Monthly* (争鸣), No.221, March 1996, pp.39-42.

⁷³⁸ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.21.

in various party departments and state ministries. Wu Bangguo, member of the party's Politburo and secretary of the party's Shanghai committee, was elevated to a Secretariat member of the party's Central Committee and was appointed as the vice-premier of the State Council in charge of industry. Mayor of Shanghai, Huang Ju, succeeded Wu as Shanghai party chief and was added to the Politburo. In the meantime, Jiang filled many posts at ministerial-level with Shanghai native officials. Also, Jiang promoted some senior military officers garrisoned in Shanghai to the Beijing headquarters of the armed forces. For example, Jiang promoted Ba Zhongtan, commander of the Shanghai Garrison to commander of the national People's Armed Police (PRP), while elevating the PRP from the vice-military region level to the military region level.⁷³⁹ Furthermore, Jiang nominated Ba and Zeng as members of the party's central committee enlarging both power and influence.⁷⁴⁰ By promoting officials associated with Shanghai to form a circle of proteges in the leadership hierarchy, Jiang had strengthened his status as the core of the third-generation leadership.⁷⁴¹

For Jiang, the relief of his biggest political crisis and the renewal of Deng's confidence, the settlements with the Beijing faction headed by Chen Xitong as well as the Yang family generals, the assumption of the RPC presidency and the establishment of the Shanghai faction as his power base in the central authority had a major significance on the consolidation of his succession. Encouraged by the

⁷³⁹ . Han Chen, "The Shanghai Faction Annexed the Beijing Faction," (寒晨, "上海帮火并'北京帮',") *Beijing Spring* (北京之春), No.24, May 1995, pp.19-20; "NPC Session Ends with Applause," *Beijing Review*, March 27-April 2, 1995, p.5; "Party Strengthens Its Leading Role," *Beijing Review*, October 10-16, 1994, p.5.

⁷⁴⁰ . Gu Sijin, "Inside Story of 'the Shanghai Faction'," (谷斯今, "上海帮'秘史,") *Cheng Ming Monthly* (争鸣), No.218, December 1995, p.64.

⁷⁴¹ . One possible member of the Shanghai faction was Zhu Rongji, who Gu Sijin listed as a member. See Gu Sijin, "Inside Story of 'the Shanghai Faction'," (谷斯今, "上海帮'秘史,") *Cheng Ming Monthly* (争鸣), No.218, December 1995, p.59. In addition, Zhu was perceived as an affiliate of the objectionable Shanghai clique by many Chinese. Certainly, Zhu, then member of the Politburo Standing Committee and executive vice-premier had connections with elements of the Shanghai faction. He had a history steeped in Shanghai politics and served as mayor of Shanghai from 1987 to 1989, doubling as the city's party chief from June 1989 to April 1991 after Jiang left to work in Beijing. However, most specialists on Chinese politics do not generally view Zhu as a key member of the Shanghai faction. See Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.23-24. In the meantime, Zhu was regarded as an independent political force in the PRC power structure by some foreign media while being referred as "China's Gorbachev" by some Western journalists. Although Roderick MacFarquhar views Zhu as "a potential rival" of Jiang's [see Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng* (Second Edition). New York: Cambridge University Press, 1997, p.519.], few people regard Zhu as one of the contenders for the succession to Deng or a threat to Jiang's leadership.

favourable political situation, Jiang declared publicly that he had taken supreme power from Deng.⁷⁴² Meanwhile, Jiang paid a high price for defending his successor position in these ruthless power struggles, suffering a reputation for excluding dissidents and practising nepotism.⁷⁴³ The Opposition was still strong and active. For example, some veteran leaders opposed Jiang holding the top party, state and military posts, and wanted him to share power with Li Peng.⁷⁴⁴ This demonstrated a danger that Jiang's leadership could be challenged again. Therefore, Jiang's position as the crown prince remained potentially unstable.⁷⁴⁵ The real test of the security of Jiang's right of succession to Deng would come in the Taiwan Strait crisis of 1995-96, which thus became a key dimension for verifying the reliability of his leadership.

6.2. Jiang Zemin's Calculations of Achievements on Taiwan for His Leadership Consolidation and Historical Position

6.2-1. Jiang Zemin's Attempt to Consolidate His Leadership

It is essential to consider Jiang Zemin's calculations to exploit the Taiwan issue. Why did he need to prove himself? Why did he select Taiwan as a key factor? What were the motives behind his actions?

In establishing Jiang's intentions, it is necessary to analyse the political environment surrounding him at that time. Jiang appeared to be consolidating his successor position. However, the conditions of his succession to Deng had remained unstable because his ability to lead the most populous nation in the world was still questionable. From the outset, his leadership was seen as lacking the authority and outstanding accomplishments that should be shown by a supreme leader. Without a

⁷⁴² . The 1994 party's Fourth Session of the 14th Central Committee announced that the rulership had been handed over from the second generation leadership with Deng Xiaoping as its core to the third generation leadership with Jiang Zemin as its core. See "CPC Decision on Party Building," *Beijing Review*, October 31-November 6, 1994, p7.

⁷⁴³ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.28-31.

⁷⁴⁴ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.197.

⁷⁴⁵ . The Research Institute for Peace and Security, Tokyo (compiled), *Asian Security: 1995-96*. London: Brassey's, 1995, pp.82-83.

major contribution to the history of Communist Party of China; building the Chinese army or promoting the well-being and international prestige of the Chinese state, his leadership was fragile. His contenders for Deng's succession still held him in scorn due to his limited administrative achievement and considered him to be unfit to run the state. Other critics believed that he had not yet proved he was anything more than just a mediocre politician. If his governing performance continued to be weak, the scorn and criticism would turn into a boycott, destabilising his leadership. For Jiang, the next important move in consolidating his power, therefore, was that he must establish the image of an able leader.⁷⁴⁶

Presumably, however, Jiang might have gained credibility and prestige in spheres such as culture, society, military and economy. Culturally, Jiang liked to display his fondness for music and literature.⁷⁴⁷ However, the strict Communist control of culture did not permit creativity. Even though Jiang might pursue a sound cultural program, it would not be sufficient to prove his ability in leading the country.

Socially, if Jiang was to meet with success, he had to do two key things. One was to bring about greater changes in the society under his leadership and promote the formation of a civil society. But that would have broken up the PRC social structure, widely believed to be one of the world's most totalitarian. Another was to establish a welfare state. A massive program for social welfare would be very expensive, committing much of the country's financial resources to welfare service projects for its 1.3 billion people. However, the PRC is a developing country without the necessary conditions for social material benefits to cover unemployment, pensions, medical care benefits as well as education. Under Jiang's leadership, therefore, the establishment of a comprehensive social welfare system has never been considered truly viable.⁷⁴⁸

Militarily, although Jiang was chairman of the central military commission, he was not viewed as a real soldier because of the absence of a military record as a real

⁷⁴⁶ . You Ji considers that in 1995 when Jiang consolidated his successor position, the first challenge that he faced was "to show the party that he is a capable leader and can contribute to the nation's prosperity. Many people in China and abroad think of him in terms of mediocrity." See You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.21-22

⁷⁴⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.232-233.

serviceman. Not only did Jiang have little military experience, but the evolving international environment was also moving away from the need for militarily minded heads of state, leaving him little opportunity to prove himself. Thus, there was little to suggest that Jiang could consolidate his position by way of military exploits.

Economically, Jiang had little knowledge of the modern market economy and only had experience in managing the planned economy.⁷⁴⁹ He was an electronic engineer in origin. Before 1985 he served as a senior official leading the electronic and machinery industries, mainly technological work. Nor did not prove himself in the financial and industrial centre while holding the positions of mayor and party chief in Shanghai from 1985 to 1989.⁷⁵⁰ Since his assumption of national party chief, Jiang relied on Zhu Rongji in economic affairs.⁷⁵¹ As for economic reform, the credit had already gone to the initiatives of Deng Xiaoping, who has been generally recognised as the prime mover on economic reform in the PRC. Jiang had a rigid way of thinking on economic reform and lacked the enthusiasm to remake the economic structure.⁷⁵²

Since it was impossible for Jiang to establish his prestige in the above-mentioned spheres, in order to gain credit he had to turn to such areas as foreign affairs, domestic politics, Marxist ideology and national reunification.⁷⁵³

In foreign affairs, given the limelight effect Jiang's activity in the international arena could attract the world's attention and help prop up his status as successor. In doing this, he tried to embark on diplomacy designed to raise his international stature as leader of a great power. However, several factors restricted the achievement of his objectives in foreign affairs. He was not experienced in international issues and

⁷⁴⁸ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.56-58.

⁷⁴⁹ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.59-60.

⁷⁵⁰ . Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, p.341.

⁷⁵¹ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.33. According to Willy Wo-Lap Lam, Jiang "was no problem-solver" and appeared to "lack an interest in or knack for the complexities of economic and social issues." See Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.3.

⁷⁵² . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.59-69, 77-80.

⁷⁵³ . For Jiang's calculations to make his personal exploits, see "Jiang Zemin's 'Ten Major Meritorious Deeds' Disclosed," (黎自京, "江泽民'十大功绩'流失记,") *Cheng Ming Monthly*(争鸣), No.273, July 2000, pp.14-16.

lacked strategic foresight. Humiliatingly, he even had a record of diplomatic gaffes.⁷⁵⁴ Jiang's diplomatic ambitions also faced serious external constraints, mainly the damaging international fall-out from the 1989 Tiananmen Square massacre. Following that event, Beijing was subjected to economic sanctions and diplomatic isolation. The PRC did not extricate itself from this difficult position in the international community until the early 1990s.⁷⁵⁵ Jiang's diplomatic foundation was so weak that most of the major powers would not accept his visit. In particular, Jiang had been looking for an invitation to officially visit the United States but had met with setbacks. Shortly after the 1989 Tiananmen Square massacre, Deng Xiaoping proposed that Washington should extend an invitation for Jiang to visit the US as an important item within a package solution to a thaw in PRC-US relations. However, the Bush administration excused itself from such a visit.⁷⁵⁶ During 1993-94, Jiang sought to be invited for an official state visit to the US, but the Clinton administration refused because of the aftermath of the Tiananmen massacre and Beijing's insistence on the official verdict, which maintained the bloody suppression was necessary and reasonable. In November 1993, President Bill Clinton met Jiang in Seattle when both attended an Asia Pacific Economic Cooperation meeting.⁷⁵⁷ In October 1995, they met in New York while attending ceremonies marking the United Nations' fiftieth anniversary.⁷⁵⁸ However, these two meetings took place by way of participation in international leaders conferences and only lasted about two hours respectively. Obviously, neither was a formal summit.

Jiang's diplomatic effort to convince Chinese and foreigners that he could lead the country and contribute to the international community raises the question as to which is the dominant factor in the interaction between domestic politics and foreign affairs.

⁷⁵⁴ . Jiang even lacked elementary knowledge of diplomacy. Sometimes he behaved inappropriately at diplomatic occasions. See Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.260-262; Benjamin Yang, *Deng: A Political Biography*. Armonk, New York: M.E. Sharpe, 1998, pp.259-260.

⁷⁵⁵ . Jiang acknowledged that "the Western sanctions were making China's diplomacy more difficult". See Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.155.

⁷⁵⁶ . "Deng Xiaoping Had a Great Mind to Patronise Jiang Zemin after the June 4 incident," [“(邓小平)六四后刻意栽培江泽民,”] *TTNN (华讯每日新闻)*, October 3, 1998.

⁷⁵⁷ . Patrick Tyler, *A Great Wall: Six Presidents And China: An Investigative History*. New York: PublicAffairs, 1999, pp.413, 400-401; James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.290-294.

In light of the theory on domestic determinants of foreign policy, diplomacy is seen as an extension of domestic affairs.⁷⁵⁹ Since domestic political conditions are a prerequisite to foreign affairs, Jiang's remarkable achievements needed to be made on the basis of solving domestic problems. Practically, the PRC's internal turmoil, evidenced by fluctuating and vulnerable leadership resulting from continual power struggles gave rise to its diplomatic problems. For Jiang, the central question in the international arena was still whether he could be accorded the international confirmation of power, which appeared to elude him on the domestic front. The rare burst of diplomatic exuberance would only emerge after Jiang enjoyed a stable leading position in his own country. Obviously, Jiang was aware of the need to put his own house in order especially after his arduous diplomatic efforts did not produce the desired effect.

In domestic politics, the most important issue was that of political reform.⁷⁶⁰ If Jiang wanted to enjoy remarkable achievements, he could proceed with the reform of the political system. Comparatively speaking, Deng Xiaoping's legacy is his great contribution to the PRC profound economic reform, and Jiang could leave his own rich legacy by accomplishing significant political reform. There was fair chance of success for Jiang in this respect, thus suggesting that he might have political reform in mind. Such reform had been put on the agenda of the PRC leadership in 1986.⁷⁶¹ The 13th Party Congress of 1987 approved a programme for political reform but its implementation was suspended by the 1989 Tiananmen Square massacre.⁷⁶² However, the imperative necessity for political liberation not only remained but became increasingly urgent. In the meantime, there was a broad and supportable

⁷⁵⁸ . "Quarterly Chronicle and Documentation (compiled by Robert F. Ash)," *The China Quarterly*, No.145, March 1996, pp.256-257.

⁷⁵⁹ . See Peter B. Evans, Harold K. Jacobson and Robert D. Putnam (eds), *Doubled-Edged Diplomacy: International Bargaining and Domestic Politics*. Berkeley: University of California Press, 1993; Robert H. Lieshout, *Between Anarchy and Hierarchy: A Theory of International Politics and Foreign Policy*. Aldershot, UK: Edward Elgar Publishing Limited, 1995.

⁷⁶⁰ . For an overview of PRC political reform from the late 1970s to the mid-1990s, see Willy Wo-Lap Lam, "Chapter Three—Political Reform on Hold: How the Party Consolidated Its Dictatorship," in his *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen*. Singapore: John Wiley & Sons, 1995, pp.239-321.

⁷⁶¹ . Ma Licheng and Ling Zhijun, *Crossed Swords—A Detailed Account of the Thought Liberation for Three Times in Contemporary China* (马立诚·凌志军, 交锋—当代中国三次思想解放实录). Beijing: Press of China Today (今日中国出版社), 1998, p.154.

social foundation for political reform. The reform of the political system would be possibly successful only if Jiang stood to gain from it.

For Jiang, political reform would have major benefits but did involve risks. Hard-liners' resistance was an important concern affecting his determination, and his personal political quality led to his irresolution. Jiang was not inclined to carry out substantial political reform, but favoured readjustments in governmental structures and institutions. His concept of political reform was, in fact, administrative reform to eliminate bureaucratism, increase efficiency and improve the personnel system. He favoured an improvement in the political system only in order to maintain the party's supremacy.⁷⁶³ His nightmare was that any substantial political reform could lead to a Gorbachev-style disintegration of the Communist power framework. Thus he rejected political restructuring, fearing it would weaken his status as leader.⁷⁶⁴

There had also been the problem of the June 4 incident. The student demonstrations and subsequent massacre in 1989 had particular relevance to any change in the PRC polity. Jiang knew well that political reform was at the root of the 1989 democratic movement of Tiananmen Square. The question of June 4 still mattered a great deal, and continued to represent a fundamental obstacle to political liberation. Jiang faced two major political constraints. Firstly, his own role in the 1989 protests placed restrictions on his resolution to reverse the official verdict on the events of June 4. This involves two issues. One is his handling of the democratic movement in Shanghai, mainly the closure of the *World Economic Herald*. Another is Jiang's participation in making decisions on the military suppression within the Beijing leadership. The closure of the *World Economic Herald* by Jiang aggravated tensions between the government and demonstrators spreading the crisis nation-wide and ultimately pushing the democratic protestors in to a more confrontational stance. What is more, Jiang was not entirely untainted by the Tiananmen massacre. He may have played a role in making decisions on the suppression of the Tiananmen pro-democracy protests, despite the direct order to fire on the demonstrators being given

⁷⁶² . See Zhao Ziyang, "Advance Along the Road of Socialism With Chinese Characteristics—Report Delivered at the 13th Party Congress of the Communist Party of China on October 25, 1987," *Beijing Review*, November 9-15, 1987, "Documents" pp.XV-XXXI.

⁷⁶³ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.73-74.

by Deng Xiaoping. Anyhow, it is because of Jiang's contributions to the suppression that he was catapulted to the top by Deng, replacing Zhao as the newly designated successor. Jiang would probably pay a price for any reversal of the official verdict of June 4.

Secondly, any scheme of Jiang's re-evaluating the June 4 incident to promote political reform would be strongly resisted by conservatives within the Communist Party. There were two powerful political forces in blocking the road to a reassessment of the 1989 protests. One was the military and another the old guard. The PLA had been trying to improve its poor image of professional servicemen in full battle gear assaulting peaceful demonstrators. The military's attitude of objecting to any modification of the party-state's public stance on the Tiananmen massacre made it difficult for Jiang to reconsider that verdict because he needed the military's support for his successor's position. Meanwhile, the old guard remained influential in politics despite retiring. These party veterans were associated with the bloodshed and would have to bear responsibility for the killings in the case of any revision. Most important, Deng was still alive and, although of advanced age and seriously ill, he remained influential. Jiang did not dare to irritate Deng, out of fear for his own position.

In short, given the political situation, it might be impossible for Jiang to reverse the Tiananmen verdict. However, to a great extent, Jiang did not wish to touch such a thorny problem because he lacked the personal will to reform the political system. Evidence for this can be seen in the fact that, after Deng Xiaoping's death, the original official judgement of June 4 remained as a major obstacle to political liberation, with Jiang doing little to address it.

In Marxist ideology, Jiang expected to play the role of the Maoist-style philosopher king but was unsuccessful.⁷⁶⁵ Given the Communist leaders' traditional preoccupation with ideology, Jiang had sought to found a new theory with his unique personal stamp. There were a number of limitations on Jiang. He lacked the explicit ideological motivation and strong sense of mission which are essential to become an

⁷⁶⁴ . Luo Bing, "Jiang Zemin Declared That He Would Not Conduct Political Reform," (罗冰, "江泽民宣布不搞政改,") *Cheng Ming Monthly* (争鸣), No.219 January, 1996, pp.9-11.

architect of Communist theory and movement. In terms of personal quality, he was short on original ideas.⁷⁶⁶ In contrast to the philosophical and poetic Mao Zedong, Jiang was not fluent in the sort of ideological issues relating to the governance of a Stalinist state. In the meantime, Deng Xiaoping's theories remained guiding philosophies, along with Marxism-Leninism and the thought of Mao Zedong. While realising that the strict ideological approach was untenable, Jiang was incapable of designing a new methodology to replace the theoretical system of the old communist-era. Moreover, the virtual demise of communist ideology with the collapse of the Soviet Union and the Eastern Bloc had a strong impact on the PRC and domestic conditions were also unfavourable. Faith in communism began to wane following the Cultural Revolution, with Marxist ideology crumbling after the 1989 Tianannmen crackdown.

Jiang did make an effort to produce some theoretical breakthroughs to establish his pre-eminent ideological status, but failed to achieve positive results. In 1995, he called upon party members, especially cadres, to "talk more about politics". Strictly speaking, this was an instruction of the party chief to the whole party to require it to give greater attention to politics. It was more an empty slogan than a well-knit theory.⁷⁶⁷ In the same year, he delivered a speech on how to deal with twelve critical relationships in the PRC economy and politics. This was believed to copy ten critical relationships of Mao Zedong in the 1950s, while still being within the framework of Deng Xiaoping's reformist theories. To Jiang's disappointment, the theoretical community gave poor reviews to both speeches. Meanwhile, the two speeches were interpreted overseas and domestically as a return to orthodox Marxism, in particular Maoist doctrine, and were even met with criticism by other top leaders.⁷⁶⁸

⁷⁶⁵ . For an overview of Jiang's efforts in bolstering his image by establishing a new ideological framework, see Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.263-287.

⁷⁶⁶ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.284-285.

⁷⁶⁷ . Luo Bing, "Quickening the Pace of Turning to Leftism—There Is More Behind Jiang Zemin's 'Talk More About Politics'," (罗冰, "加速向'左'转—江泽民'讲政治'的背后,") *Cheng Ming Monthly* (争鸣), No.220, February 1996, pp.6-7.

⁷⁶⁸ . Ai Kesi, "Nothing New in Jiang Zemin's 'Economic Thought'—Making Comments upon Jiang's Speech on the 12 Contradictions," (艾克斯, "了无新意的经济'思想'—评江泽民有关十二大关系的讲话,") *Cheng Ming Monthly* (争鸣), No.217, November 1995, pp.27-30; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.267-268, 284-285.

Finding it hard to establish his leading position in Marxist ideology, Jiang had to turn his attention away from the ideological and domestic fronts to other fields. In questing for his political achievements, Jiang saw that the Taiwan issue had potential as a policy area to be exploited in order to gain the credibility and prestige he required.⁷⁶⁹

6.2-2. Jiang Zemin's Ambitions to Claim His Place in History with the Return of Taiwan

Apparently, consolidating his status as Deng Xiaoping's successor was not the only impetus for Jiang Zemin's ambitions for the completion of the reunification of China. In seeking to make a greater contribution to resolving the Taiwan issue, it seems that Jiang had more political considerations in mind.⁷⁷⁰ He appeared to want to leave a legacy holstering his own position in history and to become the first and only supreme leader in Chinese history capable of making Taiwan return to the motherland after the island's division from mainland China. This is a point worthy of in-depth examination because it is fundamental to a true understanding of his motivation to achieve the return of Taiwan in his lifetime.

This study proposes Jiang's point of departure for settling the Taiwan issue was primarily politically motivated. Completing national reunification is a key element in making his personal political landmark while establishing his legacy. Many scholars believe that Jiang was very concerned about his place in history and wanted to appear as a great leader through accomplishment of the return of Taiwan.⁷⁷¹

⁷⁶⁹ . David Bachman believes that the areas within which Jiang deserves credit are severely limited. "Arguably only in the realms of changes to the political system and policy toward Taiwan is it possible to even imagine dramatic initiatives coming from above." See David Bachman, "The Paradox of Analysing Elite Politics Under Jiang," *The China Journal*, No.45, January 2001, p.95. Also see Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.53-54.

⁷⁷⁰ . Jiang has regarded his political performance on Taiwan as one of the administrative exploits required to get himself into the pantheon of splendid figures in the history of Chinese Communists, alongside Mao Zedong and Deng Xiaoping, see "Jiang Zemin's 'Ten Major Meritorious Deeds' Disclosed," (黎自京, "江泽民'十大功绩'流失记,") *Cheng Ming Monthly* (争鸣), No.273, July 2000, pp.14-15.

⁷⁷¹ . Jiang strongly desired a settlement of the Taiwan issue to complete national reunification in his lifetime in order to secure his place in history. A number of Chinese and foreign scholars see Jiang in this way. See Gary Klintworth, "Lessons Learned," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence

Jiang's contribution to the party and country is the least among leaders in the PRC history. Without his own glorious achievements, Jiang lacked the prestige enjoyed by Mao Zedong and Deng Xiaoping. By reuniting the country, he could elevate himself into the Chinese communist pantheon along side his two predecessors. In establishing a politician's place in history, it is necessary to make a comparison with the leaders of a similar stature. Chinese people as a matter of course compare their leaders with the political achievements of the past. In assessing Jiang and his historical role, they would make a comparison with the deceased Communist giants, Mao and Deng. It is also logical for historians to do so. Actually, when courting fame in history, Jiang himself would take the historical parallels, Mao and Deng, as point of reference.⁷⁷²

Looking back to Mao and Deng, both have constituted a role-model for all PRC leaders, hereafter and have been listed by most Chinese as being among the great leaders. Comparatively speaking, as the leaders of the first and second generations of revolutionaries respectively, Mao brought Communist victory in China whilst Deng launched economic reform and opened up China to the outside world. Mao played the most important role in the building of the Communist Party of China and the People's Liberation Army. More remarkably, Mao was the creator of the PRC despite being a heartless dictator. He founded the Communist state laying down the foundations of the polity so evident today. In foreign relations, Mao gave birth to effective Chinese independence and the PRC's status as a major power, despite the nation being cut off from the world at one time. Under the leadership of Deng, the vast task of modernising China began and the PRC became one of the world's most economically successful countries. His reforms and openings helped rid the country of much poverty and improved peoples' living standard. Deng was honoured for his achievements in reform, opening and modernisation, despite repressing the pro-democracy movement. Obviously, compared with the brilliant exploits of Mao and Deng, Jiang lacked the prestige of his own grand deeds.

Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.247; Paul Wolfowitz, "Remembering the Future," *The National Interest*, No.59, Spring 2000, p.43.
⁷⁷² . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.80-82.

In a comparison with his three other predecessors, Hua Guofeng, Hu Yaobang and Zhao Ziyang, Jiang Zemin's contribution to the country is again shown unfavourably. Although generally believed to be a mediocre former supreme leader, Hua gave meritorious service to the party-state. He played a leading role in smashing the 'Gang of Four' and bringing the upheaval of the Cultural Revolution to an end, thereby stabilising the Communist regime. Hu was famous for his political exploits in bringing order out of chaos caused by the Cultural Revolution. For example, during his tenure as the head of the Party Central Committee's Organisation Department, he succeeded brilliantly in redressing the frame-up of a large number of old cadres. They had been purged during the Cultural Revolution but were rehabilitated because of Hu's resolute actions. Also, Hu had great achievements to his credit in the "thought liberation", the ideological struggles that were conducted through the 1978 discussion on "practice as the sole criterion of truth", paving the way for the introduction of reform and the opening-up of the country. Zhao, a liberal reformist, had been credited with his great contributions to the economy. He opened the way for the country's market economy with innovative theories on political economics while moving away from Soviet-style Marxist and command-style approaches. During his assumption of the post of first secretary of the Sichuan party's provincial committee he pioneered reforms, mainly in agriculture. After becoming premier of the cabinet, he displayed his outstanding leadership in launching a series of key reforms, most notably the reform of the economic system. More significantly, he had begun to reform the political system, trying to separate the role of the party from government, impressing the Chinese people, in particular, intellectuals and reformists inside the party. Although his political liberation efforts were virtually frozen by the 1989 Tiananmen massacre, his initiatives in reconstructing the polity meant that for most people government was being held increasingly accountable for its actions.

Compared with his five predecessors, Hua Guofeng, Hu Yaobang, Zhao Ziyang and, in particular, Mao Zedong and Deng Xiaoping, Jiang Zemin made little contribution to the country. He badly needed his own historical accomplishments. He hoped to prove himself the man of destiny that China must have as the nation's

supreme leader. Imperatively, he aspired to the authority of Mao and Deng.⁷⁷³ For Jiang, national reunification was the most suitable area to achieve his ambitions, for this goal had a direct bearing on the nation and such a crucial question for the PRC leadership and China's future.

In terms of national reunification, there were three major problems 'left over' from history, Hong Kong, Macao and Taiwan. Jiang devoted time and energy to the resolution of the issues of Hong Kong and Macao. He, as the PRC state head, announced the PRC Government's resumption of the exercise of sovereignty over two colonies from the British and Portuguese Governments while attending the formal handover ceremonies in Hong Kong in 1997 and Macao in 1999 respectively. Despite this, most of the credits for the recovery of Hong Kong and Macao go to Deng Xiaoping, who played a leading role in the return of these two colonies to the motherland. Even Zhao Ziyang shared the achievements of handing over these territories, when, as premier, he represented the PRC in signing both the 1984 PRC-UK Joint Declaration on the Question of Hong Kong and the 1987 Sino-Portuguese Joint Declaration on the Question of Macao. Under such circumstances, the eventual settlement of the Taiwan question became a principal area of concentration for Jiang in calculating how best to score his political achievements in national reunification. Taiwan is a vital issue of unsolved sovereignty which has a direct bearing on the destiny of the Chinese state. Accomplishing Taiwan's reunion with the mainland, resulting in the country's complete reunification as a greater China is a tempting political goal. An accomplishment of national reunification in his term of office would amount to a milestone in the Chinese history. In this case, it would help boost his image as a new, great leader among Chinese.

Jiang's personal political calculation in claiming his place in Chinese history with the return of Taiwan is not groundless. National reunification is one of the most important dimensions in measuring PRC leaders' political achievements. Mao brought Tibet under the jurisdiction of the PRC government. Deng facilitated the return of Hong Kong and Macao returning to the PRC domain. However, Taiwan is the area to which the paramount leaders ought to have made major contributions.

⁷⁷³. Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.80-82.

While the previous leaders had worked hard towards such ends, they had failed to produce results. If Jiang should accomplish Taiwan's reunion with the mainland to finish the eventual reunification of China, he would carve his own name in history as the "Great Unifier". This would help him rise to the level of previous leaders in PRC history. Conversely, Jiang would look like a failure if he did not make great strides forward on the road of reunification with Taiwan.⁷⁷⁴

Comparing himself with Communist giants such as Mao and Deng, both of whom had devoted themselves to Taiwan's reunion with the mainland but had failed to realise their desire, Jiang sought to finish the vast task of reunification with Taiwan. Resolution of the Taiwan issue in his lifetime would cap his political career.

⁷⁷⁴ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.247-248; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.80-82; Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.156-157.

Chapter Seven

The Policy Background of the 1995-96 Taiwan Crisis

7.1. The Background for the PRC Taiwan Policy

7.1-1. An Overview of the Previous Taiwan Crises and the Evolution of the PRC Taiwan policy

The PRC policy toward Taiwan evolved from the liberation of Taiwan towards more peaceful approaches to reunification from 1949 to the mid-1990s. During late 1949 and mid 1950, Beijing worked out an operational plan to capture Taiwan and the PLA made preparations for the Taiwan campaign. However, this plan was aborted because of the outbreak of the Korean War. Beijing dispatched the PLA main force to participate in the Korean War and its attempt to seize Taiwan had to be postponed.⁷⁷⁵ Subsequently, the United States placed Taiwan under its protection and backed the KMT regime to oppose Beijing, although it did not support the KMT in its struggle for the reconquest of the Chinese mainland.

In the 1950s, Beijing's Taiwan policy was closely tied to the two Taiwan Strait crises, and was shaped by domestic political dynamics and the world situation.⁷⁷⁶ Domestically, the goal of capturing Taiwan served the purpose of consolidating the Communist regime. Internationally, the Taiwan issue was placed in the pattern of the Cold War and Beijing sought to liberate Taiwan in undertaking its commitment to the Communist camp led by the Soviet Union.

The Nationalists fled to Taiwan, following their defeat by the communists in the civil war in 1949. The Nationalist Chinese government, with American aid and support, continued to struggle with the Chinese Communist regime. It claimed that it was the legitimate government of China and prepared to use force to recover the

⁷⁷⁵ . He Di, " 'The Last Campaign to Unify China': The CCP's Unmaterialized Plan to Liberate Taiwan, 1949-1950," *Chinese Historians*, Vol.V, No.1, Spring 1992, pp.1-16.

⁷⁷⁶ . For the Taiwan Strait crises of 1954-1955 and 1958, see Thomas E. Stolper, *China, Taiwan, and the Offshore Islands: Together with an Implication for Outer Mongolia and Sino-Soviet Relations*. Armonk, N.Y.: M.E. Sharpe, 1985; John W. Garver, *The Sino-American Alliance: Nationalist China and American Cold War Strategy in Asia*. Armonk, N.Y.: M.E. Sharpe, 1997, pp.1-147.

mainland. In particular, the KMT army had controlled a number of islands along the coastline of the Chinese mainland since 1949. Its harassing actions disturbed the economies and social order in the southeast coastal provinces, while largely blockading the mainland's sealane communications and foreign trade route. However, confronted with the two major security problems along the PRC borders, Korea and Indochina, Beijing was unable to deal simultaneously with the KMT army's offshore threat.

After the end of the Korean War in 1953 and the conclusion of the Geneva peace agreement on Indochina in 1954, the Taiwan issue, in particular the removal of the KMT's armed harassment from the mainland coastline was immediately put on the agenda of Beijing. In the meantime, Beijing considered that Washington was trying to form a regional military treaty network, mainly by way of the Southeast Asia Treaty Organisation (SEATO) and a similar Northeast Asia equivalent, including the KMT regime on Taiwan or a US-ROC military treaty, in an attempt to encircle mainland China. In order to frustrate the American intention of containing the PRC and prevent Taiwan from permanently splitting from the Chinese mainland, Beijing determined to launch military actions in the Taiwan Strait.

In early September 1954, the PLA began to violently bombard the islands of Jinmen, a key group in the Straits protecting Taiwan. This marked the start of the first Taiwan Strait crisis. The KMT army retaliated with air attacks and counter-shelling. The US sent reinforcements to the Straits to provide protection for Taiwan, Penghu, Jinmen, and Mazu. In January 1955, the PLA attacked and occupied other offshore islands originally controlled by the KMT army, but did not launch an amphibious attack on the islands of Jinmen. As a result, Beijing removed the KMT's armed presence from the mainland coastline and cleared the mainland's sealane communications and foreign trade route. On Washington's advice and with the aid of the US Seventh Fleet, the KMT troops withdrew from other offshore islands and focused on defending Taiwan, Penghu, Jinmen, and Mazu. The US-ROC mutual defence treaty was signed in December 1954. The treaty covered only the security of Taiwan proper and imposed restrictions upon the KMT regime regarding its intentions to retake the mainland by military force.

In terms of the PRC domestic factors, generally speaking, the leaders' common concern about consolidation of the Communist regime and national defence played a larger role than Mao Zedong's personal consideration of raising his prestige in decision-making during the 1954-1955 Taiwan Strait crisis.⁷⁷⁷

After the first Taiwan Strait crisis, Beijing clearly appreciated the military difficulties of any attempt to seize the island. In the meantime, as the international situation tended toward *détente*, tensions between the two sides of the Straits eased somewhat after the mid-1950s. The leadership in Beijing began to consider the possibility of a peaceful liberation of Taiwan. In April 1955, in his address to the Bandung Conference, Premier Zhou Enlai stated the PRC policy toward Taiwan, saying that "There are two possible ways for liberating Taiwan—one is by war, and the other is by peaceful means. The Chinese people prefer using the peaceful means if the situation permits". In a conference of supreme state affairs in January 1956, Chairman Mao put forward his propositions to seek peaceful means to liberate Taiwan. In the second session of the Second Chinese People's Political Consultative Conference in January 1956, Zhou announced an approach for the peaceful resolution of the Taiwan issue. The Communist Party's 8th National Congress in September 1956 endorsed this approach. This was a conspicuous change in Beijing's policy, indicating that in the liberation of Taiwan the PRC would strive to use peaceful means.⁷⁷⁸ However, Beijing did not give up threatening the use of military force.

⁷⁷⁷ . In viewing the PRC as one of the major sources and causes of the 1954-55 Taiwan crisis, most scholars attribute it to Beijing's considerations in consolidating the Communist regime and national security, see Bruce Jacobs and Lijiang Hong, "China's Relationship with Taiwan", in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.215-216; Suisheng Zhao, *Power Competition in East Asia: From the Old Chinese World Order to Post-Cold War Regional Multipolarity*. New York: St. Martin's Press, 1997, pp.103-105; Chi Huang, Woosang Kim and Samuel S. G. Wu, "Rivalry Between the ROC and the PRC: An Expected-Utility Theoretical Perspective," in Tun-jen Cheng, Chi Huang and Samuel S. G. Wu (eds), *Inherited Rivalry: Conflict across the Taiwan Strait*. Boulder and London: Lynne Rienner Publishers, 1995, pp.33-35; Jun Zhang, *Ending the Chinese Civil War: Power, Commerce, and Conciliation between Beijing and Taipei*. New York: St. Martin's Press, 1993, pp.21-23; Harold C. Hinton, *Communist China in World Politics*. New York: Houghton Mifflin Company, 1966, pp.258-263; John W. Garver, *Foreign Relations of the People's Republic of China*. Englewood Cliffs, New Jersey: Prentice Hall, 1993, pp.50-55; Nancy Bernkopf Tucker, *Taiwan, Hong Kong and the United States, 1945-1992: Uncertain Friendships*. New York: Twayne Publishers; Toronto: Maxwell Macmillan Canada; New York: Maxwell Macmillan International, 1994, pp.26-40; Joseph Camilleri, *Chinese Foreign Policy: The Maoist Era and Its Aftermath*. Oxford: Martin Robertson & Company Ltd., 1980, pp.30-32.

⁷⁷⁸ . Liao Xinwen, "Zhou Enlai and the Approach of Peaceful Resolution of the Taiwan Issue," (廖心文, "周恩来与和平解决台湾问题的构想,") *Outlook Weekly* (了望), July 15, 1996, pp.24-26; Li Jiaquan, "The Strategic Thinking of Three Generations' Leadership of the CPC Over

On 23 August, 1958, the PLA launched a cluster of artillery bombardments on the islands of Jinmen, sparking the second Taiwan Strait crisis. The KMT army struck back at the mainland with a heavy shelling of the coastal province of Fujian. As the exchange of threats and abuse intensified, the artillery battle lasted for two months, notwithstanding a two week intermission. The PLA enforced a blockade of the islands of Jinmen and the KMT army tried to break through the blockade. In making responses to Beijing's war-like actions, the US took strong moves mobilising military power to protect Taiwan and its related territories, mainly Jinmen. The US sent large numbers of warships, including six aircraft carriers, to the Taiwan Strait to reinforce the Seventh Fleet. The US armada convoyed Taiwan supply vessels to Jinmen. Faced with the display of the powerful American naval force, Beijing appeared to have tested US determination to defend Taiwan. Under such circumstances, Premier Zhou, on September 6, proposed that PRC-US ambassadorial-level talks should be resumed. While showing its determination to repulse the aggressive actions the PRC forces were engaging in, Washington also opened the door for a peaceful resolution of the on-going disputes. Thus, the US promptly accepted the offer. This helped to avoid a PRC-US armed conflict at a time when the Taiwan crisis reached its height. The KMT leaders prepared to launch air attacks against mainland China's shore batteries but the Eisenhower administration dissuaded them from doing so. From October 6 to 19, the PLA suspended its bombardment. After the two week interval, the PLA resumed shelling. However, on October 25, Beijing announced that the islands of Jinmen would be bombarded only on odd-numbered days. Although the 1958 Taiwan crisis was over, the artillery harassment continued, on and off, for two decades until January 1, 1979. Thus the outcome of the second Taiwan Strait crisis could fairly be called a stalemate.⁷⁷⁹ Beijing did not instigate further cross-strait military tension until mid-1995. Meanwhile, the KMT leaders declared that they would seek to complete their goal of returning to the mainland by way of the Three People's Principles, rather than

China's Reunification," (李家泉, "中共三代领导人对统一中国的战略思考,") *Xinhua Digest* (新华文摘), No.259, July 2000, pp.60-62.

⁷⁷⁹ . He Di, "The Evolution of the People's Republic of China's Policy toward the Offshore Islands," in Warren I. Cohen and Akira Iriye (eds), *The Great Powers in East Asia: 1953-1960*. New York: Columbia University Press, 1990, pp.240-241.

through military force. Ambassadorial talks between the PRC and the US resumed and were held, on and off, until the early 1970s.

The international academic community has generally agreed that Beijing provoked the 1958 Taiwan crisis. However, what were Beijing's motivations in starting the crisis? Scholars' explanations differ. Some interpret Beijing's perceptions of cross-strait relations as based upon the triangular relationships between Beijing, Taipei and Washington, while attributing the origins of the crisis to Beijing's view on Chinese-American-Russian diplomatic jockeying.⁷⁸⁰ Others believe that the Communist leadership needed to take an offensive move in the Taiwan Strait in order to mobilise the support of the Chinese people and complete the goals of the Great Leap Forward.⁷⁸¹ Thomas J. Christensen points out emphatically that Mao Zedong's domestic mobilisation and manipulation were responsible for the outbreak and the course of the 1958 Taiwan crisis. Mao intended to exploit the crisis to mobilise domestic support for his radical political line, particularly the Great Leap Forward.⁷⁸²

Meanwhile, Lu Ning believes that Mao's personal political consideration regarding his grip on power was the most important underlying cause for provoking the 1958 Taiwan crisis. According to Lu, after the 20th Congress of the Soviet Communist Party and the 8th Congress of the Communist Party of China in 1956, Mao found it very difficult to maintain his absolute leadership. He intended to reduce other leaders' political powers. In particular, he "attempted to weaken Zhou's position by relieving him of the foreign affairs portfolio". Under such circumstances,

⁷⁸⁰ . For different points of view on the underlying cause of the 1958 Taiwan Strait crisis, see Xiaobing Li and Hongshan Li (eds), *China and the United States: A New Cold War History*. Lanham: University Press of America, 1998, PP.49-72; John W. Garver, *The Sino-American Alliance: Nationalist China and American Cold War Strategy in Asia*. Armonk, N.Y.: M.E. Sharpe, 1997, pp.141-143; John W. Garver, *Foreign Relations of the People's Republic of China*. Englewood Cliffs, New Jersey: Prentice Hall, 1993, pp.53-60; Jun Zhang, *Ending the Chinese Civil War: Power, Commerce, and Conciliation between Beijing and Taipei*. New York: St. Martin's Press, 1993, pp.25-27; Thomas E. Stolper, *China, Taiwan, and the Offshore Islands: Together with an Implication for Outer Mongolia and Sino-Soviet Relations*. Armonk, N.Y.: M.E. Sharpe, 1985, 114-131; Jan Henryk Kaicki, *The Pattern of Sino-American Crises: Political-Military Interactions in the 1950s*. London: Cambridge University Press, 1975, pp.168-218.

⁷⁸¹ . Nancy Bernkopf Tucker, *Taiwan, Hong Kong and the United States, 1945-1992: Uncertain Friendships*. New York: Twayne Publishers; Toronto: Maxwell Macmillan Canada; New York: Maxwell Macmillan International, 1994, pp.42-43; Jan Henryk Kaicki, *The Pattern of Sino-American Crises: Political-Military Interactions in the 1950s*. London: Cambridge University Press, 1975, pp.174-175.

Mao sought to create tension in the Taiwan Strait, in an attempt to preserve his monopolistic hold on power. In August 1958, he “almost single-handedly” initiated the second Taiwan Strait crisis. In demonstrating external threat and his essential authority, “throughout the crisis, Mao personally made all the decisions with little consultation with his Politburo”.⁷⁸³ As a result of the Taiwan crisis, he consolidated his authoritarian rulership and concentrated decision-making in his own hands.

This study proposes that Lu’s conclusion is convincing. Indeed, by and large, Mao did personally decide to provoke the 1958 Taiwan crisis and handled Beijing’s course during the crisis. This has been verified in recent years by official Chinese documents and primary materials.⁷⁸⁴ He arbitrarily changed the moderate PRC policy toward Taiwan in the mid-1950s, which indicated the use of political means, more than military force, in striving to peacefully liberate Taiwan. His initiation of the crisis was primarily politically motivated as it sought to boost his leadership in an inner-party power struggle.

In 1962, the cross-strait situation became tense again.⁷⁸⁵ A few scholars view it as a crisis. Chi Huang, Woosang Kim and Samuel S. G. Wu call it “the Taiwan Strait crisis of 1962”. Harold C. Hinton regards it as “the third Taiwan Strait crisis”. Nancy Bernkopf Tucker calls it “the third” Jinmen-Mazu “crisis”. However, the great majority of the academic community refer to it more modestly as an event, or ‘flare-up’.

⁷⁸² . Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilisation, and Sino-American Conflict, 1947-1958*. Princeton: Princeton University Press, 1997, pp.194-261.

⁷⁸³ . Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*. Boulder, Colorado: Westview Press, 1997, pp.151-153.

⁷⁸⁴ . “Mao Zedong’s Handling of the Taiwan Strait Crisis of 1958: Chinese Recollections and Documents,” Translated and annotated by Li Xiaobing, Chen Jian and David L. Wilson, *Cold War International History Project Bulletin*, 7/8, 1995/96 Winter, pp.208-231; He Di, “The Evolution of the People’s Republic of China’s Policy toward the Offshore Islands,” in Warren I. Cohen and Akira Iriye (eds), *The Great Powers in East Asia: 1953-1960*. New York: Columbia University Press, 1990, pp.222-245.

⁷⁸⁵ . For the event across the Taiwan Strait in 1962 and most scholars’ views on it, see Chi Huang, Woosang Kim and Samuel S. G. Wu, “Rivalry Between the ROC and the PRC: An Expected-Utility Theoretical Perspective,” in Tun-jen Cheng, Chi Huang and Samuel S. G. Wu (eds), *Inherited Rivalry: Conflict across the Taiwan Strait*. Boulder and London: Lynne Rienner Publishers, 1995, pp.35-36; Harold C. Hinton, *Communist China in World Politics*. New York: Houghton Mifflin Company, 1966, pp.270-272; Nancy Bernkopf Tucker, *Taiwan, Hong Kong and the United States, 1945-1992: Uncertain Friendships*. New York: Twayne Publishers; Toronto: Maxwell Macmillan Canada; New York: Maxwell Macmillan International, 1994, pp.43-45; Jun Zhang, *Ending the Chinese Civil War: Power, Commerce, and Conciliation between Beijing and Taipei*. New York: St. Martin’s Press, 1993, pp.27-29.

In mid-1962, ROC President Chiang Kai-shek intended to take advantage of the grave problems of the Communist regime to return to the mainland China by military means. Beijing was beset with difficulties both at home and abroad. The country was engulfed in a famine, leading to the deaths of thousands. The PRC-Indian disputes over border issues were becoming serious, Beijing was fiercely struggling ideologically with Moscow and the PRC-Soviet alliance was splitting. Chiang believed that the KMT should seize the opportunity to launch a counterattack on the mainland in order to recapture state power. ROC troops were ordered to prepare to stage an assault on the Chinese mainland. However, Washington was afraid that such an assault could drag the US into war with the PRC. Thus it did not support Chiang's plan. The ROC military operations to attack the mainland could not succeed without American backing, in particular air and naval support, so Chiang was compelled to give up the plan. In the meantime, Beijing significantly increased its military readiness. A larger number of troops were despatched to the areas opposite Taiwan, reinforcing the PLA's force along the coastline. Simultaneously, the PRC made diplomatic representations to the US through ambassadorial talks in Warsaw, seeking American pressure on the Chiang government to abandon its invasion plan. The event ended with no cross-strait military confrontation occurring.

Huang, Kim, Wu, Hinton, Tucker and Jun Zhang believe that the Chiang administration was a source of tension in the Taiwan Strait in 1962. Its military manoeuvring and determination to recover the mainland by force initiated the event. In their opinion, Beijing stepped up combat readiness but aimed at preventing a KMT army from invading the mainland. However, Weiqun Gu offers a different version of events. According to Gu, "in early 1962, Mao ordered the PRC military to form a contingency plan for taking over Taiwan to be implemented in the middle of 1962". In light of the plan, when the US militarily intervened the PRC would join forces with its allies to take anti-American moves in Asia and Africa simultaneously. Because of divergence among the military commanders, this plan "was implemented on a trial basis". However, the PLA spearhead units, with "intelligence and armed guerrillas", failed to sneak into Taiwan. As a result, Mao was forced "to cancel his plan". "Mao's motivation in doing this perhaps was severalfold. He may have hoped to divert domestic attention away from the economic disaster that resulted

from the Great Leap Forward. He may have hoped to regain power that had been eroded after 1961 due to pressure from the Liu Shaoqi faction with the encouragement of the Soviet Union. Also he may have hoped to disrupt the ROC's plan to invade the PRC."⁷⁸⁶

It seems that, in contrast to the 1954-55 and 1958 Taiwan crises, the ROC took the offensive, with the PRC on defence. However, in viewing the event by stages, Beijing played a provocative role in early 1962 before Taipei became more bellicose in mid June 1962. As such, Mao's personal political consideration should be taken into account because he was in a time of trial and was badly in need of the provocation of a Taiwan crisis. Before long, he called for promotion of the intense class struggle and the beginning of the Socialist Education Campaign in the 10th Plenary Session of the Eighth CPC Central Committee in September 1962. Furthermore, he initiated the Cultural Revolution in 1965, finally defeating his political enemies.⁷⁸⁷ This could be a reasonable interpretation of the brief tension across the Taiwan Strait in 1962 in terms of Mao's role.

In the mid-1960s, Beijing sought to revert to its efforts for peaceful resolution of the Taiwan issue. In particular, it tried to accommodate the KMT regime politically. In 1963, in light of Mao's train of thought, Zhou Enlai summarily put forward a reunification policy, which consisted of "a key link and four major points". This policy stressed the 'One-China' principle insisted upon by both sides of the Taiwan Strait and included some essential elements of the "one country, two systems" formula. In particular, Zhou proposed that the two sides should reach an agreement that neither would despatch spies across the Straits and neither would disrupt the internal unity of the opposite side.⁷⁸⁸ In 1965, Beijing successfully encouraged former acting ROC president Li Tsung-jen to defect and take up residence on the mainland. Taking advantage of Li's defection, "Beijing stepped up its peace

⁷⁸⁶ . Weiqun Gu, *Conflict of Divided Nations: The Cases of China and Korea*. Westport, Connecticut: Praeger, 1995, pp.26-27.

⁷⁸⁷ . James C. F. Wang, *Contemporary Chinese Politics: An Introduction (Fifth Edition)*. Englewood Cliffs, New Jersey: Prentice Hall, 1995, pp.23-30.

⁷⁸⁸ . Li Jiaquan, "The Strategic Thinking of Three Generations' Leadership of the CPC Over China's Reunification," (李家泉, "中共三代领导人对统一中国的战略思考,") *Xinhua Digest (新华文摘)*, No.259, July 2000, pp.60-61.

campaign toward Taiwan”.⁷⁸⁹ Although the KMT leadership did not make a formal response to Beijing’s political accommodation, Li Jiaquan believes that Beijing’s political manoeuvre had produced an important influence upon various circles in Taiwan. He argues that the peaceful liberation of Taiwan was interrupted by the Cultural Revolution and subsequent ultra-“Left” trend of thought.⁷⁹⁰

During the 1966-76 Cultural Revolution, cross-strait relations were largely quiet and steady. In particular, because it was incapable of bringing Taiwan under communist rule by force, Beijing could only shout the slogan that “we must liberate Taiwan”.

7.1-2. Deng Xiaoping’s Taiwan Policy

The PRC domestic political situation had fundamentally changed and major policy had shifted since the late 1970s. The establishment of PRC-US diplomatic relations significantly changed the triangular relationships between Beijing, Taipei and Washington. The PRC leadership began to reconsider Taiwan policy, trying to make long-term political arrangement. Against this historical backdrop, Beijing launched a series of soft offensives toward Taiwan. On January 1, 1979, the National People’s Congress’ Standing Committee (NPCSC) published the “Message to Compatriots in Taiwan”. The message proposed that the two sides of the Taiwan Strait should end the military confrontation and make contacts and exchanges.⁷⁹¹ In particular, for the first time, Beijing explicitly declared that it advocated resolving the reunification issue by peaceful means rather than by military confrontation. On September 30, 1981, the chairman of NPCSC, Ye Jianying, put forward a nine-point proposal for the peaceful reunification of China. In particular, Ye’s Nine-Points

⁷⁸⁹ . Jun Zhang, *Ending the Chinese Civil War: Power, Commerce, and Conciliation between Beijing and Taipei*. New York: St. Martin’s Press, 1993, pp.29-30; “Li Tsung-jen’s Press Conference,” *Peking Review*, October 1, 1965, pp.22-27.

⁷⁹⁰ . Li Jiaquan, “The Strategic Thinking of Three Generations’ Leadership of the CPC Over China’s Reunification,” (李家泉, “中共三代领导人对统一中国的战略思考,”) *Xinhua Digest* (新华文摘), No.259, July 2000, pp.60-61.

⁷⁹¹ . “Message to Compatriots in Taiwan by the National People’s Congress’ Standing Committee,” (“全国人大常委会告台湾人民书,”) January 1, 1979, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.226-228.

proposed holding talks between the CPC and the KMT “on a reciprocal basis” over the reunification issue.⁷⁹² Ye’s Nine-Points developed Mao and Zhou’s reunification policy of “a key link and four major points”, creating an embryonic form of the “one country, two systems” formula.

Although these offers to Taiwan were published in the name of the NPCSC, in fact they were Deng Xiaoping’s Taiwan policy proposals. As the actual supreme leader, he set up the framework of Taiwan policy and formulated guidelines for handling the reunification issue. Adding to Ye’s Nine-Points, Deng himself published a six-point proposal for peaceful reunification, which suggested more specific measures for resolving the Taiwan issue and appearing to be more generous.⁷⁹³ In further enunciating the PRC policy toward Taiwan, Deng’s Six-Points showed the formation of the “one country, two systems” formula. Principally, under the formula, Taiwan would be able to retain its existing social and economic systems and even its own armed forces while maintaining the socialist system in the mainland.

Deng acknowledged that the two sides of the Taiwan Strait had divergent social, political and economic systems. It would be impossible to resolve these issues over decades and a greater flexibility was necessary to meet the needs of the two sides in order to complete ultimate reunification. Therefore, as an interim-arrangement, the “one country, two systems” formula would be the most suitable solution to the Taiwan problem. It supposed that the two different systems on the mainland and on the island could co-exist amicably for a long period without one swallowing up the other. The formula was designed to make Taiwan’s capitalism compatible with Beijing’s Communist rule on the mainland. It demonstrated that Deng calculated to eliminate the ground for Taipei’s excuse which always cited the different social systems between the two sides as a reason to refuse reunification, in an effort to pave the way for negotiation on the reunification issue.

⁷⁹² . “Ye Jianying’s Interview with Xinhua Correspondent,” (“叶剑英向新华社记者发表的谈话,”) September 30, 1981, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.229-230.

⁷⁹³ . “Deng Xiaoping’s Ideas on Peaceful Reunification of Mainland China with Taiwan,” (“邓小平中国大陆和台湾和平统一设想,”) *People’s Daily* (人民日报), June 26, 1983; “‘One Country, Two Systems’ Born of Reality,” *Beijing Review*, February 4, 1985, p.15.

According to Li Jiaquan, in a comparison of Mao and Zhou's thinking on the peaceful liberation of Taiwan, Deng's ideas represented a fundamental change in Taiwan policy, from military liberation to peaceful reunification. Although declining to explicitly renounce the use of force in settling the Taiwan issue, the military option only was reserved as a final means. The central guiding idea was "peaceful reunification, one country, two systems".⁷⁹⁴ The "one country, two systems" formula had become a set policy toward Taiwan since the early 1980s.

In Deng's Taiwan policy, there were considerations of strategy, diplomacy and politics. He was keen to resolve the Taiwan issue and complete national reunification at an early date, specifically in his lifetime. Thus he intended to expedite the process of peaceful reunification. In January 1980, he set a three-point agenda for the 1980s for both party and country. Firstly, it opposed hegemonism and sought to preserve world peace in international affairs. Secondly, it promoted completing the return of Taiwan to the motherland and realising national reunification. Thirdly, it encouraged stepping up the four modernisations and accelerating the pace of economic construction. He pointed out emphatically that the PRC would strive to achieve its goal of reunifying Taiwan within the 1980s. Despite being full of twists and turns in the process, resolution of the Taiwan issue had been on the agenda all along.⁷⁹⁵ This demonstrated that he put national reunification high amongst his goals. He had devoted himself to Taiwan's return to the embrace of the country but had failed to realise his wish. Now it was Jiang Zemin's turn to try to accomplish Taiwan's reunion with the mainland and to complete the eventual reunification of China.

7.1-3. The Significance of Reunifying Taiwan and the Importance of Taiwan Policy for Elite Politics

⁷⁹⁴ . For Deng's ideas on Taiwan's reunion with the mainland and the eventual reunification of China, see Li Jiaquan, "The Strategic Thinking of Three Generations' Leadership of the CPC Over China's Reunification," (李家泉, "中共三代领导人对统一中国的战略思考,") *Xinhua Digest* (新华文摘), No.259, July 2000, p.61.

⁷⁹⁵ . See *Selected Works of Deng Xiaoping, Vol. 2* (邓小平文选: 第二卷). Beijing: People's Press (人民出版社), 1994, pp.239-241.

The Taiwan question is arguably the most important issue facing China because it is determinative for the destiny of the nation. In particular, resolution of the Taiwan issue coupled with the realisation of the complete reunification of the country are vital to the PRC. It has an important bearing on the PRC party-state and is of great significance for the country. Therefore, the Taiwan issue is given its prominence in affairs of state, national policy and politics.⁷⁹⁶ It is embodied in the following five aspects:

Firstly, it is crucial to the survival and legitimacy of the Communist regime. Since 1949, when KMT troops retreated to Taiwan after the Communist Party seized power on the mainland, China has been a divided nation, with separate governments on either side of the Taiwan Strait. Although Beijing did not acknowledge the reality of “one China, two governments”, it had to take the ROC government seriously. From the late 1940s to the early 1960s, the KMT regime was a serious threat to the Communist rule on the Chinese mainland. Until the 1980s, the two regimes contended for international recognition as the legitimate ruler of the Chinese nation. More than four decades of confrontation between the two sides demonstrated that only the demise of the ROC government as an independent political entity could validate Beijing’s claim that the PRC government is the sole legal government representing China.⁷⁹⁷

With the growing democratisation of Taiwan in the mid-1990s, the ROC no longer competed with the PRC for the right to represent the whole of China in the world, and did not challenge the Communist control of mainland China. Thereby Taipei had posed less of a military and political threat to the Communist regime since the early 1990s. However, Beijing continued to view Taipei as a political adversary.⁷⁹⁸ Taiwan’s democracy and freedom and Taipei’s opposition to Beijing

⁷⁹⁶ . In a discussion of the PRC’s view on the Taiwan issue in dimensions of strategy, economy and values, Ralph N. Clough, Andrew J. Nathan and Robert S. Ross make an analysis of reasons why Beijing regards Taiwan’s reunion with the mainland as a weighty matter of the state. See Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, pp.11-17; Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China’s Search for Security*. New York and London: W. W. Norton & Company, 1997, pp.206-207.

⁷⁹⁷ . John W. Garver, *Foreign Relations of the People’s Republic of China*. Englewood Cliffs, New Jersey: Prentice Hall, 1993, pp.278-281.

⁷⁹⁸ . According to Andrew J. Nathan and Robert S. Ross, “So long as the Taiwan problem is not solved, Taiwan remains an unsinkable carrier not only of military force but of subversive values and ideas that are widely attended to on the mainland.” See Andrew J. Nathan and Robert S. Ross, *The*

could undermine political stability on the mainland and negatively impact on the communist monopoly on power. Communist Party legitimacy had become increasingly problematic since the Tiananmen events and the collapse of the Soviet Union. In trying to overcome the potential crisis over the legitimacy of its rule, Beijing had quickened its pace in seeking to resolve the Taiwan issue and merge the opposing Taiwan authorities into its political system. This sheds light on the fact that the Communist regime always takes its own rulership into account in handling the Taiwan issue. In particular, if Taiwan declared itself a sovereign country, such a declaration would produce grave consequences for the PRC government.

Conceivably this might even cause Beijing's one-party rule to collapse as a result of its inability to prevent the island's *de jure* independence. Thus the survival and legitimacy of the Communist regime is one of Beijing's foremost concerns that promoted their desire to settle the Taiwan problem. Beijing must ultimately reunite Taiwan with the mainland under the authority of Communists.

Secondly, it is a matter of national security. Since the end of the Chinese civil war in 1949, the two sides of the Taiwan Strait have technically remained at war. Beijing had reduced its military forces along the mainland's southeast coast since the late 1970s as part of a thaw in cross-strait relations, but it retains certain troops for cross-strait contingencies. Economic security has had to be taken into account because of potential military conflict in the Straits. The coastal provinces of Southeast China are the PRC's most developed economic area. In the late 1980s, they made up 40 per cent of the national population and 55 per cent of the national gross industrial and agricultural output value. Also, the five special economic zones, the fourteen open cities and more than thirty open harbours were located in the coastal regions.⁷⁹⁹ State assets and people's riches, vital to the national economy and the country's future, are concentrated in these regions. Should military conflict arise in the Straits, these regions could be affected, even damaged, and the PRC sealane communications, on which its economic lifelines depended, would be threatened.

Great Wall and the Empty Fortress: China's Search for Security. New York and London: W. W. Norton & Company, 1997, p.207.

⁷⁹⁹ . Jianhai Bi, "China's Marine Rights and Interests," (毕建海, "简论我国的海洋权益,") *The (PLA) Naval Journal (海军杂志)*, March 1988, pp.22-24.

Strategically, the PRC has a stake in Taiwan's status.⁸⁰⁰ The Taiwan issue involves the PRC national defence. From the early 1950s to the late 1970s, the island was a US military base. In particular, during the 1950s and 1960s, this base posed a serious threat to the PRC national defence. If Taiwan was taken away from China's domain by a foreign force, or if Taiwan declared independence, an island hostile to mainland China would inevitably emerge. In this case, Taiwan could become a military base for the US or even Japan. This would create considerable security problems for the PRC. Taiwan might be used as a forward military base from which to launch an attack on the Chinese mainland. Also, the PRC coastline and routes in and out of the Pacific might be threatened or blockaded. For Beijing, such a potential threat to its territorial defence and ocean frontier would be unthinkable and intolerable. Should the Taiwan problem be resolved, it would significantly improve the security environment for the PRC. Thus, cross-strait affairs are an important factor in national security that the Beijing leadership has to consider, even if they have been ultimately overemphasised because of internal political contentions.

Thirdly, the Taiwan issue is closely related to concerns surrounding national unity and territorial integrity. For more than four decades, Beijing had made efforts to strengthen the sense of unity between various ethnic groups and enhance the cohesion of the Chinese nation in order to ensure PRC sovereignty. However, it proved a long-term, arduous and complex task. Since the early 1990s, separatism among ethnic minorities had been clearly evident in three major ethnic groups, Uighur, Tibetan and Mongolian. They made up the majority of the ethnic population and had their own distinctive identities and histories and ties to foreign countries similar to them in race or culture and religion.⁸⁰¹

⁸⁰⁰ . For Taiwan's strategic importance to the PRC, see Chapter 3.1. Taiwan's Strategic Importance and Strength.

⁸⁰¹ . For nationality issues and the secession inclination of ethnic minorities, mainly the three major ethnic groups, Uighur, Tibetan and inner-Mongolian, see John W. Garver, *Foreign Relations of the People's Republic of China*. Englewood Cliffs, New Jersey: Prentice Hall, 1993, pp.266-278; James C. F. Wang, *Contemporary Chinese Politics: An Introduction (Fifth Edition)*. Englewood Cliffs, New Jersey: Prentice Hall, 1995, pp.163-170; Felix K. Chang, "China's Central Asian Power and Problems," *ORBIS*, Vol.41, No.3, Summer 1997, pp.401-425; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.230-234; Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, 44-48, 149-150.

The rise of Taiwanese nationalism exacerbated ethnic problems within the PRC, challenging Chinese pan-nationalism and having impacting upon the PRC national unity. This presented a dilemma for Beijing. On one hand, it feared that an over-promotion of nationalism could arouse separatist tendencies among the ethnic minorities. On the other hand, Beijing still had to rely on nationalism in seeking to maintain national unity. In the event of the loss of Taiwan, a domino effect could ensue, encouraging separatist tendencies elsewhere in the country. Beijing worried that the Taiwanese might be in collaboration with Uighur, Tibetan and Mongolian secessionists to promote independence, although there were few connections between the Taiwan independence movement and these secession movements until 1997. However, the Taiwan independence movement could have an influence upon these three major ethnic groups in their quest of secessionism. In particular, in Beijing's opinion, an independent Taiwan statehood could provide political leverage to Uighur, Tibetan and Mongolian separatism and form an internal threat to the Communist regime. Therefore, for Beijing, preventing Taiwan from declaring independence and reunifying the island would be essential to containing the Uighur, Tibetan and Mongolian secessionist movements.

Fourthly, Taiwan's reunion with mainland China would be significant for the PRC's comprehensive national strength, particularly its economic power. Undoubtedly, completion of reunification would be favourable for PRC economic development. The reservation of using force as an option to settle the Taiwan issue had put heavy pressure upon the national finances. Accomplishment of Taiwan's return would put an end to the cross-strait arms race. That would enable the transformation of the costly military expenditure into pressingly needed resources for economic growth.

In broader dimensions, Beijing favoured a "Chinese economic grouping" that could help to merge Taiwan. Since the early 1990s, as the time of the handover of Hong Kong in 1997 and Macao in 1999 from the British and Portuguese Governments was approaching and cross-strait relations were nearing rapprochement, people had talked about a "Great China".⁸⁰² In the foreseeable future,

⁸⁰² . For the issue of greater China, see David Shambaugh (ed.), *Greater China: The Next Superpower?* Oxford: Oxford University Press, 1995; Christopher Hughes, *Taiwan and Chinese*

this principally meant a “Great China Economic Circle”, blending the mainland’s raw materials, labour force and huge domestic market, Hong Kong’s position as Asia’s financial center and its information conduits and Taiwan’s capital, technology, management expertise and international market network. Taiwan was the key to forming such a Chinese common market, assuming that the cross-strait political disputes could be resolved and the reunification process could progress.

Beijing desired to realise “Great China”. Its motivation behind this desire was that it longed for a rich economy, a strong army, and a powerful nation. For the PRC, a “Great China Economic Circle” would see its economic strength and military power enhance. Thus, Beijing advocated facilitating cross-strait economic exchanges in order to promote the resurgence and prosperity of China as a whole. In his eight-point Taiwan policy announcement, Jiang Zemin emphasised the importance of Taiwan’s reunion with the mainland after the recovery of Hong Kong and Macao for completing “Great China” and revitalising the Chinese nation.⁸⁰³

Beijing desired to build a new Asian economic superpower through forming a “Great China Economic Circle” focusing on merging Taiwan, but this did not mean that Beijing gave cross-strait economic integration a higher priority than a political merger in pursuing its Taiwan policy goals. Beijing was politically motivated to forge economic interdependence as a basis for an earlier reunification.⁸⁰⁴ It had tried to use all the methods at its disposal to press its intentions upon Taipei but failed, especially with its show of military might backfiring. Lacking effective leverage, Beijing sought to promote reunification through economic means. By wielding the “business card” Beijing intended to compel Taipei to agree to beginning political

Nationalism: National Identity and Status in International Society. London; New York: Routledge, 1997, pp.108-113.

⁸⁰³ . Jiang Zemin, “Continue to Promote the Reunification of the Motherland,” (江泽民, “为促进祖国统一大业的完成而继续奋斗,”) January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, p.233.

⁸⁰⁴ . For Beijing’s intentions to promote reunification through economic means, see Yu-Shan Wu, “Mainland China’s Economic Policy Toward Taiwan: Economic Needs or Unification Scheme?” *Issues & Studies*, Vol.30, No.9, September 1994, pp.29-49; J.D. Kenneth Boutin, “Cross-Strait Trade and Investment: Economic and Security Implications for the Republic of China,” *Issues & Studies*, Vol.33, No.12, December 1997, pp.70-93.

negotiations on reunification. "For reunification purposes" in the long term, Beijing even had to temporarily endure an unfavourable balance in cross-strait trade.⁸⁰⁵

Fifthly, the status of Taiwan is a matter of national consequence in the global strategic pattern. It involves the country's international standing and the PRC's major power status.

Principally, it is the issue of the international legal status of Taiwan and the legitimacy of the PRC government ruling China that are of concern. Interpretations of the international legal status of Taiwan vary.⁸⁰⁶ Although the PRC government has always faced a situation where it needs to deal with the existence of the ROC, it has argued that it is a legitimate successor to the ROC and therefore maintains a sovereign right to Taiwan.⁸⁰⁷ However, this argument of state succession is disputable in international law because the claim is inconsistent with reality. Thus, the argument is challenged by a number of scholars of international law. For example, Chiu Hungdah believes that the ROC government still exists, though its jurisdiction is only valid over Taiwan and its surrounding islands. Hence, under international law the PRC's claims on Taiwan are void. Chiu points out emphatically that according to the relevant provisions of international law, "Taiwan is an integral part of" the ROC "and is not a part of" the PRC.⁸⁰⁸ This judgement

⁸⁰⁵ . You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, pp.80-81.

⁸⁰⁶ . For a discussion of the international legal status of Taiwan, see Jean-Marie Henckaerts (ed.), *The International Status of Taiwan in the New World Order: Legal and Political Considerations*. London: Kluwer Law International, 1996, pp.1-32. Also see Chiu Hungdah, "The Principle of One China and the Legal Status of Taiwan," (丘宏达, "一中原则与台湾法律地位,") *Cheng Ming Monthly* (争鸣), No.280, February 2001, pp.69-72.

⁸⁰⁷ . The Beijing regime asserts that after the foundation of the PRC in 1949, the historical status of the ROC ended and was replaced by the PRC. It insists that as the sole legal government of China, it has enjoyed and exercised sovereignty over the whole of China, including Taiwan, and the Taiwan authorities have always remained only a local authority in Chinese territory. For the PRC assertion and the ROC's opposing stand, see Taiwan Affairs Office & Information Office, State Council, People's Republic of China, "The Taiwan Question and Reunification of China" (国务院台湾事务办公室/国务院新闻办公室, "台湾问题与中国的统一,") August 1993, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.244-260; The Mainland Affairs Council, The Executive Yuan, Republic of China (行政院大陆委员会), *Relations Across The Taiwan Straits* (台海两岸关系说明书). Taipei: The Mainland Affairs Council (行政院大陆委员会), 1994.

⁸⁰⁸ . Chiu Hungdah, "The international legal status of Taiwan," in Jean-Marie Henckaerts (ed.), *The International Status of Taiwan in the New World Order: Legal and Political Considerations*. London: Kluwer Law International, 1996, pp.3-8; Chiu Hungdah, "The Principle of One China and the Legal

suggests that PRC sovereignty does not cover the whole of China. Therefore, the PRC has to continuously justify its political power over China in order to win the understanding and support of the international community. In particular, the existence of the ROC forces the PRC government to persevere in insisting upon recognition of itself as the sole legitimate government representing the whole of China and obliging other countries to sever, or refrain from establishing, diplomatic relations with the ROC if wishing to deal with the PRC. The PRC has to demand that most countries express their stance of opposing “two Chinas” or “one China, one Taiwan” and “Taiwan independence”.

In practice, the overwhelming majority of nations recognise the legitimate status of the PRC government as the representative of China, while also recognising the legal status of Taiwan as a part of China.⁸⁰⁹ However, this does not mean that all of them recognise Taiwan as an integral part of the PRC.⁸¹⁰ In particular, the PRC version of the ‘One-China’ principle, especially its sovereign claim over Taiwan, has not been accepted by Japan and the United States. These two major powers have never used the wordage of recognition in addressing the issue of the PRC’s claim to sovereignty over Taiwan. When the PRC and Japan signed a Joint Statement announcing the establishment of diplomatic relations in 1972, Japan declared that it fully understood and respected the PRC position that Taiwan is an inalienable part of the territory of the PRC.⁸¹¹ In the 1978 PRC-US Joint Communiqué on the establishment of diplomatic relations, the US “acknowledges the Chinese position

Status of Taiwan,” (丘宏达, “一中原则与台湾法律地位,”) *Cheng Ming Monthly* (争鸣), No.280, February 2001, pp.69-72.

⁸⁰⁹ . This description differs from the official PRC version. In August 1993, the PRC government issued a white paper entitled “The Taiwan Question and Reunification of China”. It used a syllogistic description: “157 countries have established diplomatic relations with China. All these countries recognize that there is only one China and the Government of the People’s Republic of China is the sole legitimate government of China and Taiwan is part of China.” See The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, p.248.

⁸¹⁰ . For the five “different categories in terms of precise wordage” of the PRC’s sovereignty claim over Taiwan in signing the recognition agreements when the countries established diplomatic relations with the PRC, see Vernon V. Aspaturian, “International Reactions and Responses to PRC Uses of Forces Against Taiwan,” in Parris H. Chang and Martin L. Lasater (eds), *If China Crosses the Taiwan Strait: The International Response*. Lanham; New York; London: University Press of America, 1993, p.128.

⁸¹¹ . “Joint Statement of the Government of the People’s Republic of China and the Government of Japan,” *Peking Review*, October 6, 1972, pp.12-13.

that there is but one China and Taiwan is a part of China".⁸¹² The positions of Japan and the US imply that the PRC government has never extended control over Taiwan since its foundation in 1949 and the ROC government effectively rules the island. This raises the embarrassing situation for the PRC government that its status as the legitimate ruler of the Chinese nation remains questionable because it does not actually enjoy and exercise complete sovereignty over China. For the Beijing regime, this is unacceptable. However, so long as the Taiwan issue is not resolved, the PRC cannot gain complete legal and diplomatic recognition for its sovereign claim over Taiwan by the international community at large, and the PRC government cannot obtain full international legitimacy.

The disputed international legal status of Taiwan underlines the internationalisation of the Taiwan issue, bringing about many diplomatic problems for the PRC. More seriously, in the mid-1990s Taipei's drive to expand its international acceptance, in particular its campaign for a UN seat and full representation in other international organisations, embarrassed and infuriated Beijing. The highly internationalised Taiwan issue complicates and disturbs PRC diplomatic relations with the rest of the world. The handling of relations with Taiwan within the framework of 'One China' is an arduous and long-term goal of Beijing and it demands that various nations formally accept it. Beijing has to fight a diplomatic war aimed at isolating Taipei from the world community, but this imposes costs upon its international political resources. It is compelled to make concessions over other issues in exchange for support of its position on Taiwan. This affects its leverage in the global power balance and weakens its position of strength in world affairs. More unfavourably, Beijing's suppression of Taiwan's diplomatic activities, even threatening the use of military force against the democratised island in the mid-1990s, damaged its international reputation. In the post-Cold War era, the PRC wants to ensure its major power status and seek to become a superpower. However, the unsolved Taiwan issue disrupts Beijing's strategic intentions. It can not endure a split state of the country indefinitely.

⁸¹² . "Establishment of Diplomatic Relations between P. R. C. and U. S. A.," *Peking Review*, December 22, 1978, p.8.

The Taiwan issue has become one of the greatest problems facing the PRC today. It is a uniquely emotive issue due to its perceived nationalistic necessity as regards national sovereignty and territorial integrity. More importantly, because it involves major issues such as national development guidelines, foreign policy and military strategy, even war and peace, the sector of Taiwan affairs and policy is quite important and sensitive within the PRC leading circle. It incorporates major political forces inside both party and government as well as the military, becoming a focus of the supreme authorities and potentially an important aspect of any power struggle.

Therefore, the Taiwan question has always been a vital issue for the PRC leaders. The evolution of Taiwan policy reveals that it has involved the political fortunes of leaders and their political activities. While considering the PRC party-state rulership and national security and interests, the leaders' personal political calculations are a significant factor. Taiwan policy goals could be a powerful symbol of success or failure in leaders' quest for political accomplishments. The case of Mao Zedong provoking the 1958 Taiwan crisis demonstrated that when he had lost credibility because of the consequences of the Great Leap Forward, he intended to rebuild his authority through manipulation of the Taiwan issue to mobilise domestic support for his unstable leadership. The case of Deng Xiaoping, his impatience for success in Taiwan policy indicated his intent to establish his legacy by way of early reunification. Thus, it can be seen that at an important political juncture, in particular a critical political transition, the area of Taiwan policy is liable to become a focus. Some leaders attempt to make gains in cross-strait relations to raise their political status while the others seek to exploit Taiwan policy issues, in conjunction with political opponents' difficulties, to launch challenges for power. Under such circumstances, any conciliatory approach would risk political infighting. On the contrary, a tougher stance on cross-strait relations for power manoeuvring could create an advantage because it could gather various political factions together. A tough Taiwan policy is often the basis for gaining the upper hand over more rationally minded constituencies. Amid elite political competition in a succession struggle, different perspectives based on leaders' political motivations could become complicating factors in Taiwan policy decision-making.

This study tries to explore the close relationship between PRC Taiwan policy formulation and PRC leadership succession. It hypothesises that succession politics would play an important role in, and largely impact upon, Taiwan policy in given periods. A transfer of power could cause a major change in Taiwan policy because successors have a personal need of the prestige it can provide. As such, Taiwan policy contention often arises from contenders in the process of struggling for the succession. Leaders have to draw their arguments from the reunification issue. Should any leaders behave moderately on Taiwan, their position of power is open to attack. This could intensify internal disputes on soft-or-hard choices, giving rise to sharper political struggles. Because moderate elements of the Taiwan policy establishment *vis-à-vis* a hard-line course are seldom dominant, it contributes to changeable as well as irrational and short-sighted Taiwan policies. Therefore, this study hypothesises that succession politics could impinge upon Taiwan policy-making and produce unexpected consequences for cross-strait relations. This, perhaps, would help to explain Beijing's unreasonable belligerence during the 1995-96 Taiwan crisis. It would demonstrate that the leaders' personal political calculation might have played a larger role than strategic and diplomatic considerations in influencing decisions to deal with problems of cross-strait and PRC-US relations.

7.2. Jiang Zemin's New Taiwan Policy

7.2-1. Other Domestic Factors That Might Affect Taiwan Policy-Making

This study has suggested that five factors: national security and interests, ideology, nationalism, economic issues and domestic political stability, help to shape the PRC policy toward Taiwan, although they are probably not the prime determinants in Taiwan policy-making. However, in order to search out what variables might have shaped Taiwan policy, these five factors will also be analysed.

Taiwan was not perceived to be a major threat to mainland China. The Beijing leadership acknowledged that international and cross-strait relations had tended to *détente*, although having concerns that the growing political force of pro-independence might impinge on cross-strait relations and potentially threaten peace,

stability and development in the Asia-Pacific region.⁸¹³ It was because of this realistic estimation that the island did not immediately threaten PRC state security and Taiwan independence was not imminent, that Jiang sought to take new policy initiatives on Taiwan.⁸¹⁴

The role of ideology as a factor in policy-making is declining. Communist ideology has been bankrupt since economic reform was conducted and the country was opened up to the outside world in 1978. With the global collapse of communism in the early 1990s, Chinese communist ideology was defunct. Although the Chinese Communist leadership remained behind the camouflage of Marxism and Communism in order to continue one-party rule, it had shed most of its ideological tenets. In the formation of the guiding principles of Taiwan policy, ideology was no longer a substantive element. The kernel of Taiwan policy was the “one country, two systems” formula. It permitted Taiwan to retain its political and economic systems after reunification with the Chinese mainland. Given the degree of flexibility involved, ideology was unlikely to play an important role in Taiwan policy-making.

Although a discredited Marxist ideology was increasingly replaced by a rising nationalism, this had not significantly influenced Beijing’s policy toward Taiwan either. Beijing had nurtured among the Chinese a sense of nationalism since the 1989 Tiananmen massacre, in order to maintain the one-party dictatorship. Yet, the PRC was not swept by strong nationalistic sentiments in 1995 and early 1996. Beijing appeared to consider that nationalism was a double-edged sword and had to weigh it against its domestic costs. There were two main concerns. Beijing feared that an undue promotion of nationalism could arouse separatist tendencies among ethnic minorities and nationalist rhetoric among the people might result in demonstrations against the government.⁸¹⁵ Thus Chinese nationalism did not appear to be the main driving force for Taiwan policy-making.

To ascertain whether economic issues affected Taiwan policy, it is necessary to briefly review the situation of economic reform and development. Economic reform

⁸¹³ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China’s Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.87-90, 232-233.

⁸¹⁴ . This estimation will be dealt with in Chapter 7.2-2. The Historical Background of Jiang Zemin’s Taiwan Initiative.

had little involvement in Taiwan policy setting. Although Beijing referred to the Taiwan experience in successfully reconstructing the economic system and creating an economic miracle, it was on guard against its political impact.⁸¹⁶ This reference was not influential in the PRC Taiwan policy-making despite having an effect on the reconstruction of economic institutions. Although Taiwanese investment on the mainland had contributed to PRC economic growth, Beijing's Taiwan policy has always been politically, rather than economically, motivated.⁸¹⁷

Indeed, there were no urgent economic problems between 1995 and 1996. A comparison of 1993-1994, 1995-1996 and 1997-1998 helps provide a clearer understanding of the economic conditions.⁸¹⁸ For example, the problems of the state-owned enterprises emerged in 1993-1994 but did not apparently worsen in 1995-1996. However, they remained at a critical level and restructuring has become the most difficult task facing Beijing since 1997-1998.

Inflation and deflation are two of the most important indicators in measuring the economic situation. Beijing was under heavy stagflation pressures in 1993-1994 struggling to make a "soft landing" for the economy. In 1997-1998, it was forced to cope with the infection of the Asian financial crisis and faced the difficult choice of whether or not to devalue its currency. These four troublesome years had shown that if these serious economic problems were not dealt with, the consequences could be disastrous.

⁸¹⁵ . Suisheng Zhao, "Chinese Nationalism and Beijing's Taiwan Policy: A China Threat?," *Issues & Studies*, Vol.36, No.1, January/February 2000, pp.76-99.

⁸¹⁶ . Ramon Myers, "Transferring the Republic of China's Modernisation Experience to the People's Republic of China," in Gary Klintworth (ed.), *Taiwan in the Asia-Pacific in the 1990s*. St. Leonard, N.S.W: Allen & Unwin in association with Dept. of International Relations, Australian National University, 1994, pp.169-194.

⁸¹⁷ . For Beijing's policy of promoting political merger with Taiwan through economic means, see Yu-Shan Wu, "Mainland China's Economic Policy Toward Taiwan: Economic Needs or Unification Scheme?" *Issues & Studies*, Vol.30, No.9, September 1994, pp.29-49; J.D. Kenneth Boutin, "Cross-Strait Trade and Investment: Economic and Security Implications for the Republic of China," *Issues & Studies*, Vol.33, No.12, December 1997, pp.70-93.

⁸¹⁸ . See David Bachman, "China in 1993: Dissolution, Frenzy, and/or Breakthrough?" *Asian Survey*, Vol.XXXIV, No.1, January 1994, pp.33-36; David Bachman, "China in 1994: Marking Time, Making Money," *Asian Survey*, Vol.XXXV, No.1, January 1995, pp.40-43; John Bryan Starr, "China in 1995: Mounting Problems, Waning Capacity," *Asian Survey*, Vol.XXXVI, No.1, January 1996, pp.13-18; Avery Goldstein, "China in 1996: Achievement, Assertiveness, Anxiety," *Asian Survey*, Vol.XXXVII, No.1, January 1997, pp.30-32; Avery Goldstein, "China in 1997: A Year of Transitions," *Asian Survey*, Vol.XXXVIII, No.1, January 1998, pp.44-45; Joseph Fewsmith, "China in 1998: Tacking to Stay the Course," *Asian Survey*, Vol.XXXIX, No.1, January 1999, pp.103-107. In addition, for a review of the economic situation in the mid-1990s, see William A. Joseph (ed.), *China Briefing: The Contradictions of Change*. Armonk, New York: M. E. Sharpe, 1997, 51-77.

Relatively, the economic environment was more favourable in 1995 and 1996. A “soft landing” was achieved. The inflation rate fell from 25% in 1994 to 15% in 1995 and less than 7% in 1996.⁸¹⁹ With such a dramatic improvement, the country maintained momentum for its economic development. Therefore, during the 1995-1996 period, Beijing was able to sustain the economic growth and continue to reform the economic system despite having to overcome difficulties. These economic issues had no impact on Taiwan policy.

The issue of national political stability was another factor that could have affected the PRC policy toward Taiwan. A comparison of the domestic political environment between the early, mid and late 1990s can shed light on this issue.⁸²⁰ The mid-1990s was a period of relative political stability. It contrasted with the more vulnerable regime struggling for survival in light of the 1989 Tiananmen massacre and the violent impact of the collapse of the Soviet Union and the Eastern Bloc in the early-1990s. It contrasted too with the weaker position of the regime in the late 1990s caused by continuous demonstrations threatening social turmoil even political upheaval. In the early-1990s, Beijing was forced to face a crisis. In striving to restore its power, Beijing had to cope with rural disturbances caused by protests against exorbitant levies and taxes, looting of land and official corruption, in addition to its effort to smooth discontent throughout the whole society. The main reason that the Communist regime overcame the crisis was that Deng Xiaoping’s landmark tour of southern China in early 1992 launched a campaign for more and faster reform and greater opening-up, seeking to ensure the delivery of economic benefits to the people.

In the late 1990s, the national political circumstances had worsened. While the farmers rioted once more, industrial unrest had also become a problem of top priority. Unemployment had already become increasingly sharp in these years because most loss-making state-enterprises had laid off tens of thousands of workers. This could have lead to a national political crisis. In 1998, the founding of the Chinese Democratic Party presented an unprecedented challenge to nearly five

⁸¹⁹ . John Bryan Starr, “China in 1995: Mounting Problems, Waning Capacity,” *Asian Survey*, Vol.XXXVI, No.1, January 1996, p.13; Avery Goldstein, “China in 1996: Achievement, Assertiveness, Anxiety,” *Asian Survey*, Vol.XXXVII, No.1, January 1997, p.30.

decades of monopoly rule by the Communist Party. More seriously, in April 1999, the Falun Gong spiritual movement mounted the largest protest in Beijing since the 1989 pro-democracy demonstrations in Tiananmen Square. Beijing was stunned by this and called the Falun Gong the most serious threat to Communist Party rule since 1989, declared it an illegal cult and vowed to suppress it. Beijing attempted to avoid this potential danger to its one-party dictatorship, by claiming that stability outweighed everything and by delivering constant improvements in living standards. However, this had become more difficult by the time the call for freedom and democracy swelled as economic growth declined in the late 1990s.

Comparatively speaking, in 1995-1996 there were no dramatic political events and Beijing did not encounter particular political difficulties. It was compelled to make a wide-ranging response to various types of domestic problems confronting it, but still had control of the state and society. Although this control had diminished, ostensibly it continued to stand for “unity and stability”. Despite their criticism, dissidents were unable to organise the masses to oppose the Communist regime effectively because of Beijing’s repression. Sporadic protests sometimes happened but were swiftly put down, having little immediate impact on the political system. Unlike the early and late 1990s, in the mid-1990s Beijing had the political resources to mitigate widespread discontent, even though those resources were limited.

Disputes about ideology and political systems between the mainland and the island were not a major issue in Taiwan policy-making. The democratisation of Taiwan had little influence over the political situation on the Chinese mainland. The administration of Lee Teng-hui stood by Taiwanese localism and did little to promote political change in mainland China.⁸²¹ Under such circumstances, a democratising Taiwan concerned Beijing, but did not upset it because of Taipei’s passive attitude toward the promotion of freedom and democracy on the Chinese mainland.

As analysed above, these five factors did not significantly influence Taiwan policy-making.

⁸²⁰ . For a comparison of the domestic political situation between the early, mid and late 1990s, see annual reviews of *Asian Survey* on China from 1991 to 1999.

⁸²¹ . For further analysis of Taiwanese democratisation and Taipei’s mainland policy, see Chapter 3.2. The Taiwan’s Political Situation and the Political Forces of Unification vis-à-vis Independence and Chapter 3.3. Taipei’s Pragmatic Diplomacy and Mainland Policy.

7.2-2. The Historical Background of Jiang Zemin's Taiwan Initiative

Jiang believed that the cessation of military conflict in the Taiwan Strait had created favourable conditions for his reunification program.⁸²² Tensions between the two sides had eased since the late 1970s, implying that nearly half a century of hostilities between the two adversaries was coming to an end. Both Beijing and Taipei had taken a conciliatory stance, and cautiously started rapprochement, lowering the possibility of armed conflict between the two sides. As Beijing had announced a major change in its Taiwan policy from military liberation to peaceful reunification, the PLA was ordered to stop the bombardment of Jinmen and other off-shore islands in 1979.⁸²³ The PLA reduced its military forces on the mainland's southeast coast and the Fuzhou Military Region directed at Taiwan was abolished in the mid-1980s. Taipei responded by halting the bombing of the mainland's southeastern coastal facilities. The thawing of relations between the two sides had made Taipei reassess the decades-old cold war view of Beijing as a mortal enemy. Thus Taipei lifted martial law directed at Chinese Communists in 1987, announced the termination of "the period of mobilisation for the suppression of Communist rebellion" and renounced its earlier stance of using force to recover the Chinese mainland in 1991.⁸²⁴ By doing this, the Taiwan authorities were ready to cultivate a peaceful cross-strait atmosphere, despite rejecting immediate negotiation for reunification. These moves by both sides provided a hope for a lessening of tension

⁸²² . Jiang Zemin, "Continue to Promote the Reunification of the Motherland," (江泽民, "为促进祖国统一大业的完成而继续奋斗,") January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.231-233.

⁸²³ . "Message to Compatriots in Taiwan by the National People's Congress' Standing Committee," ("全国人大常委会告台湾人民书,") January 1, 1979, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue (中国台湾问题)*. Beijing: Jiuzhou Press (九州图书出版社), 1998, p.228.

⁸²⁴ . Lai-to Lee, *The Reunification of China: PRC-Taiwan Relations in Flux*. New York: Praeger, 1991, p.44; Shelly Rigger, *Politics in Taiwan: Voting for Democracy*. London; New York: Routledge, 1999, p.154; "Guidelines for National Unification, adopted by the National Unification Council on February 23, 1991, and by the Executive Yuan Council on March 14, 1991," *Free China Review*, Vol.41, No.9, September, 1991, p.44.

in the Taiwan Strait and helped forge cross-strait rapprochement. It appeared that peaceful coexistence between the two sides was realisable

Jiang was encouraged by a sound political interaction between the two sides that could bring about the return of Taiwan. The establishment of the two nominally unofficial governmental organisations in the early 1990s, the Association for Relations Across the Taiwan Straits (ARATS) and the Straits Exchange Foundation (SEF), set up a framework for handling affairs and exchanges of opinions. Subsequently, greater progress was made between 1992 and 1993 when the two sides developed an active dialogue and continued a series of higher-level visits. More importantly, in Hong Kong in November 1992, SEF and ARATS officials reached a verbal consensus on the “one China” issue. They agreed to adhere to the one-China principle despite differing over the political definition. Working for a single reunified Chinese nation became, in principle, the mutually accepted and desired first step in the reunification process, and produced immediate results. The consensus helped pave the way for a meeting between two top negotiators in Singapore the following year. The meeting between the two chairmen of ARATS and SEF, Wang Daohan and Koo Chen-fu, was of historic significance because it was the first high-level cross-strait negotiation since 1949. This was viewed as a major breakthrough in cross-strait relations which had long been at a standstill. The fruitful Singapore meeting helped establishing a systematic dialogue channel to handle cross-strait affairs, especially to solve pressing issues. In 1994, the SEF and ARATS began making arrangements for the Second Koo-Wang Talks.⁸²⁵

In the meantime, remarkable progress had been made in personnel, economic and other exchanges across the Taiwan Strait, viewed by Jiang as a solid foundation for an enterprising new policy on Taiwan. People-to-people contacts had rapidly developed, with Taipei’s lifting of the ban on visiting separated relatives in 1987 and Beijing’s encouragement of such contact.⁸²⁶ Millions of families divided since the 1946-1949 Chinese civil war had reunified and many Taiwanese who had no

⁸²⁵ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室 / 国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.87-90, 156-164, 232.

relatives on the mainland travelled there. The number of Taiwan residents visiting mainland China was on a steady increase, while a number of mainland Chinese in turn travelled to the island. By 1991 the number of Taiwanese visiting mainland China reached 3 million and from 1992 visits of Taiwan residents to the mainland maintained at 1 million per year.⁸²⁷ A large number of Taiwan businessmen permanently worked on the mainland, while increasing cross-strait marriages. The sharp increase of person-to-person communications and other exchanges between the two sides helped in facilitating a more friendly political atmosphere across the Taiwan Strait, and were conducive to improving chances of eventual reunification.

Expansion of cross-strait economic relations stimulated Jiang to make an effort in realising his aspirations for national reunification. Economic exchanges began in the late 1970s, and rapidly developed and enlarged. With flows of commodities, capital, technology, information and businesspeople between the two sides increasing, the two economies were appeared to be moving towards a greater China market. The trade growth had been remarkable. The two-way trade volume was only US\$ 77 million in 1979,⁸²⁸ but had risen from US\$ 8,054.2 million in 1991 to US\$ 16.5 billion in 1994, with an average annual growth rate of 36 per cent.⁸²⁹ In the meantime, increasing numbers of Taiwan investors were flocking to the mainland. As thousands of Taiwanese manufacturers, businessmen and financiers set up their projects, firms in which Taiwanese had investment on the Chinese mainland made significant headway. According to figures released by the Taiwan Affairs Office of the PRC government, between 1992 and 1995, Taiwan firms had more than US\$ 26

⁸²⁶ . For an overview of people-to-people contacts between the two sides and their roles in promoting understanding and friendly exchanges, see Ralph N. Clough, *Reaching Across the Taiwan Strait: People-to-People Diplomacy*. Boulder, Colorado: Westview Press, 1993.

⁸²⁷ . See Ralph N. Clough, *Reaching Across the Taiwan Strait: People-to-People Diplomacy*. Boulder, Colorado: Westview Press, 1993, p.1; Yu Mu, "Moving Toward Stability and Political Dialogue in the Road of Twists and Turns—Reviewing the Past Two Decades of Crossing-Strait Relations and Looking Forward to the Future," (于沐, "在曲折中走向稳定和政治对话—两岸关系二十年的回顾和展望,") *Outlook Weekly* (了望), December 28, 1998, p.25.

⁸²⁸ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, p.128.

⁸²⁹ . Allen Y. Tao, "An Analysis of the Trade-Investment Relationship Across the Taiwan Strait," *Issues & Studies*, Vol.32, No.8, August 1996, p.56. "Two-way trade in 1996 amounted to US\$ 23.8 billion." See Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.51.

billion invested in 28,000 projects on the mainland.⁸³⁰ More remarkably, in terms of foreign direct investment in the PRC, by 1994 Taiwan had become the second largest investor on the Chinese mainland.⁸³¹ To be sure, there still were issues to be solved concerning cross-strait economic development, such as Taipei's bans on direct trade, mail and transport services across the Straits as well as the imperfect legal system on the Chinese mainland, but until the mid-1990s, cross-strait economic integration reached a height never seen before.

Expansion of investment and trade across the Taiwan Strait was forging economic interdependence and appearing to lay an economic foundation for China's reunification. The dramatic development of economic cooperation had brought about a growing economic interdependence between the two sides. On one hand, cross-strait economic exchanges had brought many economic benefits to the Chinese mainland with employment, income and tax revenue, making the mainland's economy more dependent on the island, particularly regarding its need for Taiwan's capital and technology. On the other hand, Taiwan's trade surplus with the mainland was driving the Taiwan economy into greater dependence upon mainland China. For example, Taiwan's trade surplus dependence on the mainland had gone from 20.11% in 1990 to 82.36% in 1993, with the Chinese mainland replacing the United States as the main source of trade surplus for Taiwan.⁸³² Cross-strait economic integration became a helpful element for peaceful political interaction. The increase of economic ties across the Taiwan Strait brought both sides closer, reflecting the possibility that political harmony could come following economic interdependence. Although there was a long way to go, the shared economic interests of the two sides were ultimately expected to facilitate political reunification.

However, the two sides remained contentious over major issues because there still were fundamentally political differences between Beijing and Taipei despite cross-strait rapprochement. Most controversies centred around the issue of sovereignty

⁸³⁰ . See The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九洲图书出版社), 1998, pp.128-130.

⁸³¹ .George T. Crane, "Greater China: The Ties That Don't Bind," *Current History*, Vol.94, No.593, September 1995, p.271.

⁸³² . Yu-Shan Wu, "Mainland China's Economic Policy Toward Taiwan: Economic Needs or Unification Scheme?" *Issues & Studies*, Vol.30, No.9, September 1994, p.38.

over Taiwan and ways in which to resolve cross-strait disputes. Taipei effectively waived its claim to sovereignty over China acknowledging the Chinese Communist Party's *de facto* rule over the mainland, but complained of Beijing's failure to renounce the use of force against the island. Taipei maintained that the 'One China' concept referred to the future rather than the present. The two sides were not yet unified, but were equals, separately ruled. Also, it maintained eventual reunification could occur by way of peace and democracy, but refused to embrace immediate reunion under the Communist regime. In the meantime, the political force of pro-independence was growing, despite not having significantly affected the island's status. Meanwhile, Beijing insisted on its sovereignty claim over Taiwan and still considered Taiwan a breakaway province, in adhering to the principle that there is only one China in the world and Taiwan is a part of China, and the PRC government is the sole legal representative of China. Beijing has refused to rule out the use of force to reunify Taiwan. The disputes over the status of Taiwan and the 'One China' principle entailed antagonism on both sides. In view of these facts, Jiang had to take the difficulties of reunifying Taiwan into account. Nevertheless, those obstacles to the return of Taiwan had not blunted his resolution to finish the job of national reunification. He appeared to believe that the conditions at that time for China's reunification were nearly ripe.⁸³³

Obviously, Jiang was overoptimistic about the cross-strait situation and the prospects for reunification. The new situation which had emerged with regard to Taiwan issues might have provided some conditions for a gradual reunion, but was not good enough to see any prospects of such a development in the immediate future. For more than forty years, circumstances in the Taiwan Strait had become very complicated, and there were any number of problems and difficulties to be overcome before reunification could take place. Jiang ignored the obstacles on the way to reunification, especially the suspicions produced by years of separation between the two sides of the Taiwan Strait. For example, he did not deliberate on the question of whether the atmosphere would be right to propose an important policy toward Taiwan. Actually, 1995 was not a good year for promoting the reunification course

⁸³³ . The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.89-94.

because the Qiandao Lake incident of 1994 had violently impinged on cross-strait relations, leading to a year of tensions between Taiwan and the Chinese mainland.⁸³⁴ The shabby handling of the incident by the mainland authorities severely strained ties between the two sides which had cast a dark shadow over reunification. It left many Taiwanese reluctant to support contacts and exchanges with the mainland, especially the victims' relatives who urged the Taiwan government to re-evaluate its stand on cross-strait relations. The number who favoured reunification with the mainland were declining while support for separate rule was growing. Under the circumstances, an eagerness by Beijing to heal the rift created by the incident was needed. However, Jiang did not mention the Qiandao Lake tragedy in his eight-point proposal on Taiwan. Obviously, this was not conducive to the promotion of bilateral understanding and mutual trust in the aftermath of the incident. His ignorance of the impact of the Qiandao Lake incident on cross-strait relations was seen as indicating a lack of respect for the will and interests of the Taiwanese people, undermining the sincerity of his overtures and hindering prospects for reunification. Without serious and careful consideration of the problems and difficulties in cross-strait relations, Jiang persisted in his reunification program in light of his own optimistic estimates of the environment for a resolution of the Taiwan issue. He would have to pay a political price for his over-confidence.

7.2-3. Jiang Zemin's Eight-Point Proposal for Reunification with

⁸³⁴ . The Qiandao Lake incident happened on March 31, 1994, when twenty-four Taiwan tourists were murdered in a robbery while visiting the mainland. Mainland authorities at first declared the deaths to be the result of an accidental fire aboard a tour boat. But Taipei rejected this explanation and demanded Beijing conduct a comprehensive and thorough investigation into the deaths. Under strong pressure from Taipei, the mainland authorities reviewed the case, changing their tone and acknowledging the incident as one of robbery and murder. Three mainlanders were hastily found and sentenced to death. They confessed to robbing and murdering the Taiwanese tourists and staging the boat fire. The callous and rough handling of the tragedy by the mainland authorities, including an information blackout and mistreatment of the families of the victims stirred up public indignation in Taiwan. Taipei assailed Beijing over the tragedy, accusing it of being truculent and unreasonable. More dramatically, President Lee Teng-hui denounced mainland Chinese authorities as "bandits" for their handling of the incident. The incident halted group tours across the Taiwan Strait by the Taiwan tourism industry while affecting the economic ties between the two sides. Taipei suspended cultural and educational exchanges with the mainland and the political talks between Beijing and Taipei bogged down. Cross-strait relations thus sank to their lowest ebb since the rapprochement of the mid-1980s. See "In 1994, Some Bright Spots in Midst of Difficulty," *The Free China Journal*, January 7, 1995; Sung Kuo-cheng, "The Chientao Lake Tragedy and Cross-Strait Relations," *Issues & Studies*, Vol.30, No.5, May 1994, pp.110-112.

Taiwan and Reactions to It

Jiang made public his new Taiwan policy on January 30, 1995. He had already developed new formulations to deal with Taiwan, but had thought carefully about the timing of publication. On the eve of Chinese New Year, China's most festive family holiday, he delivered his important speech with a metaphor that the mainland and the island would be reunited. This underscored his determination to make his new strategy toward Taiwan into a great success. In his speech, he put forward eight propositions, aimed at developing cross-strait relations, ending mutual hostilities and realising peaceful reunification of China. These great initiatives demonstrated that he was working hard to bring about a breakthrough on the impasse between mainland China and Taiwan regarding reunion.

He began by claiming Taiwan as an inalienable part of China while outlining an historical account to demonstrate and affirm the significance of national reunification. In an appeal to all descendants of the Chinese nation, including Taiwanese compatriots for support for national reunification, he called upon the entire Chinese people to promote the return of Taiwan to China as a common responsibility. After reviewing the PRC policy toward Taiwan since 1979, he reaffirmed Deng Xiaoping's doctrine of peacefully reuniting the country under the "one country, two systems" formula. By pledging to grant a reunified Taiwan "a high degree of autonomy", he promised to respect the island's political and economic structure as well as social formation, even allowing it to maintain its own military force. Also, he suggested that some leaders of Taiwan could take important positions in the central government. In an analysis of the circumstances surrounding the Taiwan issue, he was optimistic about the prospects for reunification, despite paying vigilant attention to both separatist Taiwanese elements seeking independence and interference by foreign forces. He pointed out that the imperative necessity to reunite Taiwan for the complete reunification of the "motherland" would loom large as the PRC resumption of sovereignty over Hong Kong in 1997 and Macau in 1999 neared. Most importantly, he listed eight proposals on the development of cross-strait relations and peaceful reunification with Taiwan, which were the main focus of his speech.

Politically, he required acceptance of the 'One-China' principle from the Taiwan authorities. This was the foundation and prerequisite for promoting cross-strait relations and peaceful reunification. In terms of Taiwan's legal status, he maintained that China's sovereignty and territory cannot be separated. He made it clear that any secession of Taiwan from China must be opposed.

Diplomatically, he was prepared to allow Taiwan a certain place in the world community but could not tolerate any separate political and diplomatic status internationally. He did not object to Taipei's development of nonofficial relations with foreign nations. He declared that Beijing had no objection to the island joining relevant international bodies under the name of "Taipei, China", but was opposed to membership in any international organisation for which statehood is a requirement.

In his quest for reconciliation with Taipei, he raised suggestions for peaceful coexistence and reunification through negotiations. He said that Beijing was ready to engage in constructive political talks with Taipei on any issue under the 'One China' principle. For such talks, Beijing would be flexible on the time, protocol, rationale and place on both sides of the Straits. He proposed that the two sides should hold talks and equal consultation to find a mutually agreeable way to resolve differences and end the state of hostility between the two sides. He expected that such talks, which would facilitate future cross-strait relations and promote peaceful reunification, could take place as early as possible.

Militarily, he stated that Beijing would spare no effort to achieve the peaceful reunification of Taiwan and the mainland. With this prospect in mind, he proclaimed that Chinese should not fight against Chinese. Yet he declined to renounce the use of force in settling the Taiwan issue, reserving the option in case the island chose to declare independence. He argued that the refusal to renounce the use of force was not targeted at the Taiwan compatriots, but directed against the intrigue of hostile foreign forces meddling in the reunification issue and instigating and supporting Taiwan independence.

Economically, Jiang expressed his hope that the ties between Taiwan and mainland China could be increased and strengthened to serve the economic interests of both sides. He maintained that bilateral economic relations should be separated from political contentions between the two sides in order to further the expansion of

cross-strait economic cooperation. He provided assurances that Beijing would pursue its long-term policy of encouraging Taiwanese investment in the mainland, and promised that the mainland authorities would protect the legal rights and interests of Taiwanese investors. More significantly, he hinted at an investment-protection agreement for Taiwanese businesses. He emphasised the necessity of realising the three links, direct cross-strait trade, mail and transportation services, and made an appeal to Taipei for the opening of these links between the island and the mainland. In addition, he urged a joint effort to begin negotiations on the development of cross-strait economic relations.

Culturally, he claimed that 5,000 years of Chinese culture spiritually linked all Chinese and provided a national basis for peacefully reuniting the divided China. He advocated an inheritance and development of the excellent tradition of Chinese culture by people across the Taiwan Strait.

Tactically, he intended to build an anti-independence and pro-reunification united front. In an effort to win over the people of Taiwan, he declared that Beijing would respect their freedom to choose their way of life and their desire to be the master of their own house, while protecting their lawful rights and interests. He promised that the PRC government including its overseas services, would take special care of its Taiwanese compatriots, while listening to and considering their opinions and requirements. With a friendly and constructive gesture, he expressed his willingness to establish wide-ranging contacts with all Taiwan-based parties, groups and individuals for exchanges of views on cross-strait affairs and peaceful reunification. He encouraged Taiwanese to advance the reunification process, stating that those who had done their part for eventual reunion should be given historical credit.

Finally, he offered a cross-strait summit. With reconciliatory goodwill, he came up with a proposal for meetings between leaders on both sides of the Taiwan Strait by a process of exchange visits. He welcomed Taiwan leaders to visit the mainland and said he would visit the island if the Taiwan authorities extended an invitation to him. He suggested that top-level talks should be held to promote development of cross-strait relations and push forward peaceful reunification. Meanwhile, he stressed that the Chinese people's affairs should be dealt with by the Chinese people and it was not necessary to act out in the international arena. While pointing out

emphatically the importance and necessity of the summits to rapprochement across the Taiwan Strait and the complete reunification of China, he expressed his confidence that he would be able to meet with the Taiwan leader in the future.⁸³⁵

An evaluation of Jiang's eight-point proposal is helpful in understanding his new Taiwan policy. This was the first time Jiang publicly formulated views and propositions to establish his own framework for cross-strait relations. The issuance of the proposal marked the initiation of his new reunification strategy, underscoring his determination of take charge of Taiwan policy in the post-Deng era. It showed that Jiang had made efforts to further consolidate his power while resolving to leave his own legacy of national reunification. The release of Jiang's Eight-Points in a way showed how important a priority the resolution of the Taiwan question was in his administration's policy establishments. In the meantime, the publication of guidelines for his office's future policy toward Taiwan indicated that Jiang had taken the lead in formulating new measures for one of the country's most important issues. By presenting a programme for the PRC policy toward Taiwan, he demonstrated that he had taken the helm of the country, ushering in Jiang Zemin's era. To sum up, making this personal effort to bring reunion to the divided China could have a positive effect on the political standing of Jiang at home and abroad.⁸³⁶

It is necessary to make a comparison between Jiang Zemin and his predecessor Deng Xiaoping in evaluating Jiang's new Taiwan policy. Deng once put forward the idea of "one country, two systems" and "peaceful reunification" as a solution for the Taiwan problem. It had become a cornerstone of the PRC policy toward Taiwan. Basically, Jiang's new Taiwan policy remained within the framework of Deng's formulations. It helped to foster an impression at home and abroad that Jiang was Deng's natural successor. Jiang reaffirmed "one country, two systems" and "peaceful reunification" as the basic principles for resolving the Taiwan question. These are the main points in common between Deng and Jiang. Meanwhile, Jiang's Eight-Points provided a review of PRC policy toward Taiwan. Although Jiang did

⁸³⁵ . Jiang Zemin, "Continue to Promote the Reunification of the Motherland," (江泽民, "为促进祖国统一大业的完成而继续奋斗,") January 30, 1995, in The Taiwan Work Office of the CPC Central Committee and The Taiwan Affairs Office of the State Council (中共中央台湾工作办公室/国务院台湾事务办公室), *China's Taiwan Issue* (中国台湾问题). Beijing: Jiuzhou Press (九州图书出版社), 1998, pp.231-235.

not alter Deng's general principles for settlement of the Taiwan issue, his eight views and propositions differed from Deng's Taiwan policy in a number of aspects, in particular its means of realising reunification, and were generally more moderate and positive versions. Since there had been no vital breakthrough in the impasse between the mainland and the island regarding reunification since Deng published his Taiwan policy, a readjustment, or revision in Beijing's Taiwan policy was crucial. Jiang's Eight-Points sought a significant rethink and re-establishment of PRC policy. They made innovations on the basis of overhauling the original Taiwan policy.

Indeed, there were new ideas in Jiang's eight-point proposal, showing that he strove to be pragmatic and creative in restructuring cross-strait relations.⁸³⁷ For example, Taipei took note of new offers to Taiwan in Jiang's Eight-Points focusing on two points. One was that Jiang suggested the two sides should hold talks to end mutual hostilities, illustrating his hope for peaceful coexistence across the Taiwan Strait. Another was that he extended an invitation to Lee Teng-hui to visit mainland China in an appropriate capacity while clearly indicating his willingness to accept invitations from Taipei to visit the island.⁸³⁸ This showed that Jiang thought seriously about personally meeting Lee and trying to reach a consensus on reunification in negotiating cross-strait issues. Thus, by offering some meaningful suggestions toward Taipei and sketching out a new framework for sustainable peaceful engagement for reunion, Jiang's Eight-Points appeared to have set a new course for the reunification of China.

Goodwill gestures by Jiang boosted his new image as a rational leader. By offering unprecedented goodwill, he had adopted a more conciliatory approach toward Taiwan. Most remarkably, he was proposing that Chinese people on either side of the Taiwan Strait should not be in conflict and should instead help each other in the interests of mutual benefit. Although he did not rule out the use of force to reclaim Taiwan, given Beijing's often-declared reunification by military means if

⁸³⁶ . Jonathan D. Pollack, "China's Taiwan Strategy: A Point of No Return?" *The China Journal*, No.36, July 1996, p.114.

⁸³⁷ . For the new thinking in Jiang's Eight-Points and its significance, see Li Jiaquan, "The Strategic Thinking of Three Generations' Leadership of the CPC Over China's Reunification," (李家泉, "中共三代领导人对统一中国的战略思考,") *Xinhua Digest* (新华文摘), No.259, July 2000, pp.61-62.

⁸³⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.250.

necessary his offer of such a peace overture signalled a meaningful softening of Beijing's stance. This can be viewed as a major concession on the part of Beijing. It demonstrated that Jiang favoured negotiation with Taipei to try to find a way for the two sides to live in peace, not war. With that kind of goodwill, Jiang took an initial step towards ending the state of war that had persisted between the two sides since the end of the Chinese civil war in 1949. In addition, Jiang offered a wide variety of reconciliatory measures, calling for the two sides to pursue economic cooperation and other exchanges. In an effort to win over the Taiwanese people, he adopted a generous attitude, seeking to meet Taiwan's requirements for maximum autonomy. These reconciliatory measures helped to foster the Taiwanese people's trust in the Chinese mainland and win the understanding and support of the international community.

Jiang's Eight-Points gave birth to Beijing's manoeuvrable policy of engagement with Taipei. In contrast with hard-liners' belligerent rhetoric across the Straits, Jiang took a mild attitude toward Taiwan. In order to realise his reunification programme, he displayed to Taiwan leaders his sincerity and readiness to take amicable steps to work with them. His eight-point proposal began modestly with a search for better atmospherics across the Taiwan Strait to foster change in the relationship between the two sides leading to eventual reunification. Compared with Beijing's previous tough terms for contacts, he tried to develop cross-strait relations by acting more flexibly. He suggested that the two sides should negotiate in any form to find an acceptable solution for the final realisation of peaceful reunification. Under the general principle of 'One China', any topic was open to discussion. Jiang's elastic approach to Taiwan seemed to give the two sides maximum flexibility in resolving bilateral disputes.

Jiang's Eight-Points laid the foundation for his new Taiwan policy, which revolved around goodwill conciliation, proactive cooperation and constructive engagement for the peaceful reunification of China. By adopting a new and more inclusive version of the PRC policy toward Taiwan, Jiang's proposal displayed sincerity in seeking to solve cross-strait problems while cultivating a peaceful atmosphere to facilitate communications and enhance mutual trust. If this proposal was to be accepted by Taipei and succeed in practice, it could lead to a major shift in

the relations across the Taiwan Strait expediting the pursuit of closer economic ties and more frequent and effective political interactions to integrate the two sides into a single entity. More significant, if the proposal for top-level talks and exchanges to end the state of hostility was any kind of success, it would be the most hopeful development in cross-strait security for a considerable period of time. It seemed that a stunning initial breakthrough might be made by Jiang, which would overcome a host of difficulties in forging eventual reunification after more than 40 years of separation.

Nevertheless, success in this new Taiwan policy was to elude him. It was still early to indulge in talk about the reunification in the near future. Jiang's Eight-Points were not reliable enough to attract Taiwan people to reunify with the Chinese mainland, and were not acceptable to rival Taiwan leaders, who were unwilling to fall under Beijing's rule.

Jiang miscalculated on two fronts. Externally, he overrated the possibility of his Eight-Points being accepted by Taipei while underestimating the political forces resisting immediate reunification in Taiwan. He overlooked the actual political state in Taipei and Taiwan leaders' political intentions on cross-strait relations. Particularly, he had considerable but unrealistic expectations about Lee Teng-hui.⁸³⁹ Domestically, the complicated political situation and Jiang's own political constraints restricted him. He did not deliberate on possible internal strife and whether he would be able to rein in the radical elements within the party. Cross-strait issues were of a controversial nature and could easily lead to disputes while the PRC leadership was in its succession process. He did not seriously and carefully consider the difficulties for his new Taiwan policy that would be constituted by his internal opponents, in particular the contenders for Deng's leadership succession. He did not take the military's view on Taiwan into full account and he underestimated the hard-liners' considerable political energy who had consistently held a tough

⁸³⁹ . You Ji gives his opinion that Jiang probably oversimplified the cross-strait problems and did not precisely assess Lee. You points out: "Jiang may have been thought too innocent, unable to understand Lee thoroughly". "He may have been blamed for being an overt optimist about the deepening ties across the strait in recent years, failing to anticipate a possible U-turn." See You Ji, "Changing Leadership Consensus: The Domestic Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.86.

stance on Taiwan. These two political forces on both sides of the Straits gathered to block Jiang's new Taiwan policy.

This undercut the significance of Jiang's goodwill gesture, leaving him in a dilemma. President Lee Teng-hui issued a statement at the National Unification Council on April 8, 1995, making his formal response to Jiang's Eight-Points. Lee introduced a six-point proposal for normalising cross-strait relations.⁸⁴⁰ He proposed that the cross-strait relations should still focus on trade and economic exchanges, while furthering cultural exchange between the two sides. He called for an effort to be made by the two sides to maintain economic prosperity and promote political democracy in Hong Kong and Macao, indicating that Taipei was a political entity equal to Beijing while advocating the importance of democracy and freedom. In giving prominence to the other three key points, he emphasised that both sides should face reality and respect each other in resolving cross-strait problems. This implied that Jiang's eight-point proposal did not have a realistic basis while demanding in return that Beijing should recognise Taiwan as a political entity because the island and the mainland were governed separately. In diplomacy, he urged Beijing to allow the island to raise its international profile. In an appeal for equal participation of both sides in the international community, he actually claimed the status of a sovereign state for the ROC on Taiwan. In responding to Jiang's call for a meeting between the leaders of both sides on Chinese soil, he proposed in return that they should meet on neutral ground. An important point in Lee's six-point statement was that he demanded that Beijing renounce the use of force against Taiwan in order to facilitate talks on ending the state of hostility. In responding to Jiang's proclamation that the Chinese should not fight against Chinese, he proposed that Chinese should help Chinese. With a reconciliatory attitude, he reiterated that "both the mainland and Taiwan areas are parts of Chinese territory. Helping to bring about national unification should be the common responsibility of all Chinese people."⁸⁴¹ However, by quoting a document called "the Guidelines for National Unification" by Taipei, he

⁸⁴⁰ . For the full text of Lee's Six Points speech, see "Steps to Normalize Bilateral Relations," *Free China Review*, Vol.45, No.7, March 1996, pp.43-47.

⁸⁴¹ . PRC scholars considered this as a positive response to Jiang's Eight-Points which was conducive to the development of cross-strait relations. See "Beijing Scholars Comment on Taiwan Authorities' Speech on Cross-Straits Relations," ("北京学者评台湾当局关于两岸关系的讲话,") *Outlook Weekly* (了望), June 5, 1995, pp.19-20.

stated that unification should be a gradual and democratic process, in view of the fundamental differences between the political systems as well as the wide gap in economic development between the two sides. In fact, Lee's Six-Points rejected Jiang's Eight-Points.

It is necessary to examine Lee's motives for this rejection. He had a high opinion of Jiang's eight-point proposal, saying that it was "a breakthrough", in its move away from Deng Xiaoping's strategy toward Taiwan. Yet, Lee believed Jiang had not secured his grip on power and had not gained the military's backing. Thus Jiang would find it extremely difficult to carry out his new Taiwan policy. No top-level talks between Taipei and Beijing could be held until Jiang's survival in the struggle for Deng's succession was clear. There was an interval between 1995 and 1997 when the 15th national congress of Communist Party of China would be convened, which would decide the issue of the leadership succession struggle. Deng's successor position was being hotly contested among leaders in Beijing. They were absorbed in their own struggle for these two years and had no time or energy to ponder the Taiwan question.⁸⁴² Lee intended to exploit Jiang's Eight-Points in seeking to hold on to power through the expansion of pragmatic diplomacy.⁸⁴³ Lee appeared to consider this was a golden opportunity to bolster his own position in the expansion of head-of-state diplomacy and to promote the island's international status. Jiang's new overtures toward Taipei were viewed as those of a political weakling by Lee.⁸⁴⁴ Although Jiang did not renounce the use of force against Taiwan in his eight-point proposal, Lee appeared to view Jiang's proclamation that Chinese do not fight Chinese as a shift in Beijing's consistent stance on its threat of the use of arms to force the reunification of the two sides.

In exploiting Jiang's proposal, Taipei had intensified its pragmatic diplomacy while sparing no effort in seeking UN membership. More seriously, Lee settled upon the US visit in response to Jiang's overtures, a significant step in gaining political support among pro-Taiwanese Americans for his re-election, but damaging to Jiang's prestige. In his speech delivered at Cornell University, he refused to accept that the

⁸⁴² . "Building a New Culture—In an exclusive interview, Lee talks tough about China and 'Asian Values'," *Newsweek*, May 20, 1996, p.64.

⁸⁴³ . For Lee's political calculation for his re-election through head-of-state diplomacy, see Chapter 3.3-2. The Issue of Lee Teng-hui's US Visit.

island would be reunified under the Communist regime. He responded again to Jiang's call for a meeting between the leaders of both sides, openly disregarding Jiang's suggestion of meeting on Chinese soil and repeating his proposal that he was ready to hold a summit with Jiang on an international occasion.⁸⁴⁵ Lee's speech and behaviour during his US visit angered mainland leaders, in particular senior military officers, as Beijing viewed the trip as a veiled move to promote Taiwan independence.⁸⁴⁶ Obviously, Lee had taken advantage of Jiang's goodwill gestures toward Taipei, leaving him in a difficult situation. More intolerably, Jiang had been thirsting for his own US visit, which would lend needed credibility to his leadership. Lee's rejection of Jiang's eight-point proposal on Taiwan and utilisation of this proposal for his landmark visit to the US was a political disaster for Jiang's moderate Taiwan policy. Jiang was in a tight corner. While meeting strong opposition from political opponents and hawks, he was confronted with a crucial decision to relinquish or continue his new Taiwan policy.

⁸⁴⁴ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.54.

⁸⁴⁵ . "Text of Lee's Cornell Address," *The Free China Journal*, June 16, 1995.

⁸⁴⁶ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.251-252.

Chapter Eight

The PRC Leadership Succession and Policy during the 1995-96 Taiwan Crisis

8.1. The PRC Leadership Succession and a Tough Taiwan Policy

8.1-1. Jiang Zemin's Attempt to Maintain His Moderate Taiwan Policy and Mounting Pressures upon Him to Change It

Jiang Zemin tried to maintain his new Taiwan policy, but was forced to give up. Lee's negative responses to his Eight-Points on Taiwan, and especially his US visit, frustrated Jiang's implementation of a moderate policy toward Taiwan. This created a dilemma for Jiang, who was caught in a contradictory situation. On one hand, he worried that Lee's rejection of his eight-point proposal, and utilisation of this proposal to visit the US, would dampen his effort to achieve national reunification through a moderate Taiwan policy. On the other hand, he feared that his own leadership would be affected. Originally, his new Taiwan policy aimed to consolidate his right of leadership succession while creating his place in history, but unexpectedly and contrary to his wishes, it delivered negative results. Lee's actions could spell trouble for Jiang in the process of political transition. On the horns of a dilemma, although Lee's actions caused him political harm, Jiang found it difficult to withdraw himself from his established formulations on Taiwan. He had dedicated himself to the country's reunification course and had staked his own political reputation on it. Although disputes across the Taiwan Strait were becoming intense and he was under criticism, he continued his policy of promoting peaceful reunification. When Lee Teng-hui planned his US trip, Jiang's administration exercised restraint. When the Clinton administration decided to issue a visa to Lee

on May 22, 1995,⁸⁴⁷ the Jiang administration made representations and issued diplomatic complaints, but did not recall its ambassador from Washington. Beijing did not suspend negotiations with Taiwan, either. ARATS (The Association for Relations Across the Taiwan Straits) Vice Chairman Tang Shubei, mainland China's No. 2 negotiator with Taiwan, who was also deputy director of the Taiwan Affairs Office under the PRC State Council, had planned to visit Taiwan. He embarked on his scheduled visit to Taiwan on May 27-28 despite fears by some senior officials and think-tank scholars that it might involve considerable risk due to the already stormy relationship between the two sides. Tang and his Taiwan counterpart, SEF (The Straits Exchange Foundation) Vice Chairman Chiao Jen-ho, held the first preparatory meeting for the Second Koo-Wang Talks (Koo Chen-fu and Wang Daohan, the chairmen of SEF and ARATS). The meeting concluded with an agreement that the second preparatory meeting would be held in June, and the Second Koo-Wang Talks would take place in July in Beijing.⁸⁴⁸ This was due to Jiang's approval of the visit. It suggested he thought that the timing for Tang's visit as scheduled might not be optimal but that cancelling it would be even worse, due to the adverse impact it could have on cross-strait relations and his leadership. He wished to carry out his new Taiwan policy.⁸⁴⁹ During Tang's Taiwan visit, he adopted a low profile on the issue of Lee's US visit. He avoided making further remarks when replying to journalists' frequent questions.⁸⁵⁰ On May 29, Chen Yunlin, deputy-director of the PRC Taiwan Affairs Office, spoke highly of the Tang-Chiao meeting of May 27-28 and its agreement, while expressing Beijing's desire to continue to facilitate contacts and exchanges with Taipei. Chen pointed out emphatically that Beijing would seek common ground on further development of cross-strait relations, while reserving political differences between mainland China and the island.⁸⁵¹ Whilst Lee visited the US, arriving in on June 7 and returning to

⁸⁴⁷ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.67.

⁸⁴⁸ . Christie Su, "Taipei Meeting Sets Stage for Second Koo-Wang Talks," *The Free China Journal*, June 2, 1995.

⁸⁴⁹ . Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.157-158; Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.173.

⁸⁵⁰ . "The Tang-Chiao Meeting Blows the Cool Breeze Gently," ("焦唐会谈吹一缕清风,") *The International Chinese Weekly* (《亚洲周刊》), June 11, 1995.

⁸⁵¹ . "Across Straits Summit Scheduled," *Beijing Review*, June 19-25, 1995, p.4.

Taiwan on June 12,⁸⁵² Jiang maintained his position politically, mainly publishing articles in the official media criticising Lee for his U.S. trip.⁸⁵³ On June 12, shortly after Lee's US trip, the PRC Taiwan Affairs Office stated that although Lee's visit to the US had caused tensions between Beijing and Taipei, the agreements and exchanges between the two sides would not be affected. On June 14, in replying to a question whether the PRC responses to Lee's US visit would impinge on the Second Koo-Wang Talks scheduled for July in Beijing, ARATS Vice Chairman Tang Shubei declared that the consensus that was reached in Taipei in May between SEF Vice Chairman Chiao Jen-ho and himself should stand.⁸⁵⁴ This restrained behaviour reflected the fact that Jiang's moderate policy toward Taiwan remained unchanged. Under strong pressure from hard-liners, however, on June 16, the PRC government withdrew its ambassador from Washington in protest over the American government's approval of Lee's visit.⁸⁵⁵ On the same day, Beijing suspended the scheduled Second Koo-Wang Talks.⁸⁵⁶ Although Jiang's administration had stepped up its responses, these reactions were still within reasonable bounds. Beijing did not announce its intention to conduct military manoeuvres until July 18.⁸⁵⁷

These diplomatic and political responses were seen as not being strong enough to check Lee's advance along the 'separatist road'. A tough reaction, including coercion by Jiang's administration had been urged, and the military in particular demanded a stronger response.⁸⁵⁸ Jiang's personal political restraints restricted him to continue reacting by diplomatic and political means. Originally, Jiang's eight-point proposal was built on an unstable foundation for which there was no explicit and firm support within the leadership. It was viewed as being more personally

⁸⁵² . Susan Yu, "Lee, Back from US, Says Visit Helped World Recognize ROC," *The Free China Journal*, June 16, 1995.

⁸⁵³ . Sheng Lijun, *China's Dilemma: The Taiwan Issue*. Singapore: Institute of Southeast Asian Studies, 2001, pp.157-158.

⁸⁵⁴ . Qi Xin, "A Sudden Change in Communist China's Policies toward the US and Taiwan," (齐辛, "中共对美对台政策的突变,") *The Nineties* (九十年代), No.306, July 1995, p.58.

⁸⁵⁵ . John W. Garver believes that this resulted from the military's pressure. See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.73.

⁸⁵⁶ . "Taiwan's Deeds Delay Cross-Strait Summit," *Beijing Review*, July 3-9, 1995, p.4.

⁸⁵⁷ . Chu-cheng Ming, "Political Interactions Across the Taiwan Strait," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, pp.190-192.

⁸⁵⁸ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.253.

motivated than based upon the party's policy and national interest. Indeed, the proposal stemmed from his strong personal desire to become the leader who would bring national reunification to the divided China. Such a motive was difficult to gain support for from other leaders. Outwardly, it seemed, there was a rough consensus on Jiang's proposals on Taiwan. However, there were indications that when Jiang put forward his policy proposals, the PRC leadership had not yet reached a unanimity of views on cross-strait issues and different factions had pursued divergent policies on the matter. Few senior leaders had joined the chorus to echo Jiang's eight-point proposal.⁸⁵⁹ For example, Qiao Shi, member of the party's Politburo and the parliamentary chief, considered an entrenched Jiang foe, reluctantly consented to Jiang's eight-point proposal in public but internally criticised him for his slowness and restraint in response to Lee's US visit.⁸⁶⁰ This highlighted Taiwan policy as a major point of contention between the PRC leaders. Internally Jiang's new Taiwan policy had been severely criticised since Lee's US visit and Jiang's restrained response to it. Those who had not consented to Jiang's eight-point proposal on Taiwan raised doubts and criticisms. They argued that his Eight-Points had been deemed a weak position by Lee Teng-hui and the Taiwan authorities. It was suggested that the Eight-Points lacked measures to counter Taipei's quest for its international living space and independence. They believed that Lee's Six-Point response and subsequent international activities had proved the persistence of Lee and the Taiwan authorities in pursuing Taiwan independence.⁸⁶¹ Faced with sharp criticism of the Eight-Points, Jiang had not been able to stifle opinions differing from his own. Unlike Mao Zedong and Deng Xiaoping, Jiang was not able to exercise absolute power. Under the collective leadership that Deng designed, Jiang had to

⁸⁵⁹ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.53-54.

⁸⁶⁰ . Chwenliang Pao, "The Founding of Jiang's Era—A Perspective from the 'Occupation Distribution Model'," (包 淳亮, "江 核心的 建立—职务分配模式的观点,") *China Affairs* (中国事务), No.1, July 2000, p.95.

⁸⁶¹ . These views were aired at a conference entitled "The Development in the Taiwan Situation", which was jointly convened by The general office of the State Council and The general office of the Central Military Commission (CMC) from June 15-17. Political heavyweights such as Member of the party's Politburo Standing Committee and First CMC Vice-Chairman Liu Huaqing, Member of the party's Politburo and CTWLG (the Central Taiwan Work Leading Group) Deputy-Head as well as Foreign Minister Qian Qichen, Minister of Defence Chi Haotian, attended the conference. See Guan Jie, "Communist China's New Interlinked Policies toward America and Taiwan," (关捷, "中共 对美台新政策,") *The Trend Magazine* (动向), No.119, July 1995, p.20.

politically consult and multilaterally cooperate with his colleagues for a compromise. He lacked the real political strength necessary to carry his moderate Taiwan policy through firmly to its end. The apparent failure of his new formulations on cross-strait issues left him unable to hold his own against criticism by his political opponents. To sum up, Jiang's Eight-Points did not rest on a solid foundation of internal approval. Since he was frustrated, Jiang had had a tough time persuading hard-liners and the military to press ahead with his new Taiwan policy, which had come under considerable pressure amid the leadership succession struggle.

8.1-2. Leadership Succession Contentions over the Taiwan Problem

As cross-strait relations reached an impasse, the competition for Deng's succession was becoming fiercer. The debate on Taiwan policy had turned into an important part of the power struggle to succeed the paramount leader.⁸⁶² What approach should be taken became a central question in the PRC leaders' debate over Taiwan issues. There was a point beyond which no contender for Deng's succession could afford to allow Taiwan to become independent and, as such, the contenders had been drawn toward assertive stances on the Taiwan status and a tough policy toward the US.⁸⁶³ China's sovereign claim over the island is seen as an important symbol of its national prestige and destiny. The Taiwan issue evoked intense emotions and high stakes. All contenders had to hold the position that Lee's pursuit of Taiwan independence was a dangerous menace to territorial sovereignty and national security. Every contender was cautious and fearful about possible accusations of treachery. There was a division between moderates and hard-liners on most policy issues, but this was less evident with regard to Taiwan. It was very difficult to

⁸⁶² . Li Zijiang, "The New Development in the Power Struggle at the Top Leadership," (黎自京, "高层权斗的新发展,") *Cheng Ming Monthly* (争鸣), No.212, June 1995, p.24; Luo Bing, "Each Sticks to His Own View on Policies toward the US and Taiwan—The Disputes among the Party, Government and Military," (罗冰, "对美对台政策各执一词—党政军大纷争,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.8-10.

⁸⁶³ . Premier Li Peng published an anti-American statement warning the US to stay out of the Taiwan Strait. See Richard Bernstein and Ross H. Munro, *The Coming Conflict with China*. New York: A. A. Knopf, Distributed by Random House, 1997, p.154.

identify moderates within the Beijing leadership when it came to Taiwan policy.⁸⁶⁴ For example, both Qiao Shi and Li Ruihuan, two members of the Politburo Standing Committee and respectively NPCSC (The National People's Congress' Standing Committee) Chairman and CPPCCSC (The Chinese People's Political Consultative Conference' Standing Committee) Chairman, were generally recognised as reform minded moderates, supportive of political reform and further openness to the outside world. However, on Taiwan issues, particularly how to respond to Lee's US visit, these two more moderate figures took extreme positions.⁸⁶⁵

Jiang's soft stance on Taiwan and the US was seen as signalling weakness to the "Taiwanese separatists and American hegemonists" by political foes eager to denounce him. With the mounting hawkish voices of his political opponents surrounding him, Jiang faced extreme difficulties in the pursuit of his amicable policy of reconciliation with Taipei for peaceful reunification. Under fire from both the new and old conservative factions within the leading circles, he had to avoid being blamed for losing Taiwan by the other contenders for the leadership succession. Jiang and these contenders were mired in a divisive stalemate as the party's central leadership was permeated with an atmosphere of aggression. There was little space for manoeuvre to enable him to adhere to his moderate Taiwan policy. In light of major principles of righteousness and nationalism, he was being forced to toughen his stance towards Taiwan. He had to make such a shift in the transition period to avoid making the fatal political mistake of being viewed as weak on nationalistic issues. His very survival in the successor position could be in peril as opponents threatened him with strong nationalist sentiments. Jiang's new reunification strategy had become dangerously vulnerable to attack by his opponents. The disputes over how to deal with cross-strait relations after Lee's US visit had

⁸⁶⁴ . Edward Friedman, "The Prospects of a Larger War: Chinese Nationalism and the Taiwan Strait Conflict," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.262.

⁸⁶⁵ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.252; You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.31. In early 1996, Qiao even threatened that if the PRC were struck with nuclear missiles, it would conduct nuclear retaliation by hitting a major American city. See James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, p.334.

intensified the scramble between Jiang and the other contenders for the succession to supreme power.

Jiang was facing the second biggest political crisis since his assumption of power. His successor position was in jeopardy because of the apparent failure of his moderate Taiwan policy. Lee's rejection of Jiang's eight-point proposal on Taiwan and his US visit had damaged his credibility, making his position precarious. Jiang had been a weak leader since he was selected as Deng's heir six years ago. Now that weakness had been on display for the world to see, causing renewed opposition from internal conservatives. He had been the subject of internal criticisms since Lee's visit to the US. After the Clinton administration approved Lee's visit to the US, the military, various provinces, party departments and a number of governmental ministries had, one after another, sharply criticised the Ministry of Foreign Affairs and the top leadership's interlinked policies toward Taiwan and the US. This had brought powerful pressure to bear on Jiang.⁸⁶⁶ Following his tardy decision-making to take countermeasures against Lee's US visit and continuance of his new Taiwan policy, members of opposition factions demanded that Jiang take responsibility for his wishful policies on the US and Taiwan, which were viewed as a policy of appeasement.

Both Qiao Shi and Li Ruihuan attacked Jiang's weakness in face of the "American hegemonism and Taiwanese splittism", which meant that he was not a suitable paramount leader by reason of his rightist deviation and perceived capitulation. Li Peng, a Member of the Politburo Standing Committee and Premier, had been indirectly critical of Jiang since Lee's US visit while covertly exploiting Jiang's difficult political position over the Taiwan issue to plan a forceful political hit at his leadership.⁸⁶⁷ Jiang was challenged and confronted over Taiwan and his resignation was called for. Yet these three rivals for the leadership succession did not pursue the matter of Jiang's dismissal because the result would invoke Deng's suspicion about their ambitions to rush to seize supreme power. Instead, they took

⁸⁶⁶ . Luo Bing, "Each Sticks to His Own View on Policies toward the US and Taiwan—The Disputes among the Party, Government and Military," (罗冰, "对美对台政策各执一词—党政军大纷争,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.8-10.

⁸⁶⁷ . Sha Ming, "The Military Exercises in East Sea Give Rise to Covert Struggle at the Top Leadership of Communist China," (沙明, "东海演习引发中共高层暗斗,") *The Nineties* (九十年代), No.309, October 1995, pp.32-34.

the advantage of his political crisis by fuelling anti-Jiang political activities. There were many opponents in the central leading bodies who opposed Jiang's interlinked policies toward Taiwan and the US and wished to force him from office. On June 30, in the conference of the 8th National People's Congress' Standing Committee (NPCSC), more than ten NPCSC members jointly proposed two motions questioning the validity of Jiang's interlinked policies toward Taiwan and the US and his leadership. The main purpose of these two motions was as follows: First, Jiang, as the state president, had to take responsibility for his mistaken guiding principle, policy and false moves vis-à-vis the US, and explain these lapses to the NPCSC. Second, the party's central leadership, with Jiang Zemin at the core, had to take responsibility for, and reflect upon, its misjudgement of Lee Teng-hui's responses to Jiang's eight-point proposal and its tardy decision-making on countermeasures against Lee's US visit. Further, these proponents demanded that Jiang resign for his mistakes. Three NPCSC vice-chairmen supported these steps. This was called the event of June 30. Jiang was both shocked by and anxious about the development. The Standing Committee of the Political Bureau ordered the Central Secretariat to investigate.⁸⁶⁸ In the meantime, a number of army generals, both PLA veterans and incumbent senior officers, appealed for the ejection of Jiang from power.⁸⁶⁹ The debate on Taiwan policy had dramatically entered the leadership succession struggle. It appeared that Jiang's political fortunes might be dealt a fatal blow as his political stock was in rapid decline. He was forced to find his way out of the grimmest power struggle of his career.

Jiang had spared no efforts to defend his successor position. He had attempted to disarm his critics and rally support for his moderate Taiwan policy but had failed. As the hard-liners' pressure mounted, he raised his voice to denounce "American hegemonism and Taiwanese splittism". Jiang's shift in tone was a defensive response to a barrage of criticism by conservatives and political opponents, but they remained dissatisfied and continued to press their aggressive positions on him. The embattled Jiang was treating the threat to his leadership seriously. His next move

⁸⁶⁸ . Li Zijing, "Voices Demand Jiang's Resignation at the National People's Congress' Standing Committee," (黎自京, "人大常委倒江声,") *Cheng Ming Monthly* (争鸣), No.214, August 1995, pp.10-11.

would be key to the development of the resignation drive, and he needed to make a compromise to appease the opposition. On May 28, an emergency enlarged meeting of the Political Bureau was convened, at which he undertook a self-criticism of his mistaken guiding principle and policy toward the US, in an attempt to defuse the political crisis and avoid dismissal. He said that he was sorry for his misjudgement and mishandling of cross-strait relations as well as PRC-US relations. In acknowledging his mistakes, he said that in recent years he had not made substantive and forceful responses and had not taken necessary measures against the American government's acts in violation of three PRC-US joint communiqués. He recognised that this had placed the PRC in a passive position on the guiding principle and policy toward the US, causing considerable scepticism about decision-making by the central authorities in the party, military and various other circles. He alleged that the American government's approval of Lee Teng-hui's US visit was a new development in plotting to create "two Chinas" or "one China, one Taiwan". He promised that the party's central leadership would undertake a comprehensive review of the PRC strategy toward the US and would revise US policy. In highlighting his anti-American determination, he said that the PRC would not allow the US to interfere in issues of PRC sovereignty and internal affairs, and it would make certain preparations for a retrogression, suspension or even a rupture of PRC-US relations. In expressing his sincerity that he would rectify his mistakes, he took pains to assure participants of the meeting that he would adopt a tough stance toward Taipei and Washington.⁸⁷⁰

After criticising himself, tensions with the hard-liners relaxed somewhat, but remained unresolved. Having continually been pressed by hard-liners, mainly the military's hawks, he had to justify his review and readjustment in interlinked policies toward Taiwan and the US, while reaffirming his own strong stance.⁸⁷¹ Seeing a continuing danger for his successor position, he made another self-criticism, in an

⁸⁶⁹ . For detailed information, see Chapter 8.2-2. The Military's Role in Pressing upon Jiang Zemin the Adoption of Strong Measures against Taiwan.

⁸⁷⁰ . Luo Bing, "The Military Hawk Grows More Powerful and Jiang Zemin Is Forced to Make Self-Criticism—Communist China Reviews Its Interlinked Strategies toward America and Taiwan," (罗冰, "军方鹰派坐大 江泽民被迫检讨—中共调整美台战略,") *The Trend Magazine* (动向), No.118, June 1995, pp.6-8.

effort to squash an opposition-engineered drive to unseat him. He criticised himself in five respects, mainly for his mistakes in violation of collective leadership. He said that he would strengthen consultation and communication with other members of the Political Bureau and exchange different views before making decisions on major policies and other measures. As a member of the collective leadership, he would respect and comply with the rules of that leadership.⁸⁷² Jiang's self-criticisms showed that his successor position remained fragile. If should he stick to his approach on Taiwan, his own leadership would be endangered in the process of political transition. He had already been criticised for taking a soft stance on Taiwan, he wanted to avoid being blamed for losing it. As a result of strong pressures from hard-liners, especially the military and his contenders for the succession, he would have to make some tough Taiwan policy choices, regardless of his own beliefs on which path would be wisest.

However, although Jiang had undertaken self-criticisms and had expressed his intention to adopt strong measures in dealing with Taipei and Washington, he hesitated to counterattack Lee Teng-hui and America's 'political and diplomatic provocations' with military action. Hard-liners urged Jiang to take one further step of escalation with a military response to Lee's US visit. When Jiang took no action, the contenders for the leadership succession and the military joined forces to press Jiang to make a decision to strongly retaliate against Taipei and Washington. Premier Li Peng and two CMC Vice-Chairmen, Admiral Liu Huaqing and General Zhang Zhen, took the opportunity of Jiang's visit to Germany and Poland to devise a plan to conduct war games and fire missiles into the sea near Taiwan. After he returned from abroad, Jiang was immediately confronted with the plan. Jiang had to accept a *fait accompli*, perforce endorsing the plan regardless of whether he favoured such military adventures.⁸⁷³ In the meantime, the military supported Qiao Shi and Li Ruihuan attacking Jiang for his weak responses to Lee's US visit and pressing him to

⁸⁷¹ . Luo Bing, "Each Sticks to His Own View on Policies toward the US and Taiwan—The Disputes among the Party, Government and Military," (罗冰, "对美对台政策各执一词—党政军大纷争,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.8-10.

⁸⁷² . Mai Rong, "The Inner-Party Democratic Meeting at the Top Leadership Holds in a Tense Atmosphere," (麦容, "气氛紧张的高层生活会,") *Cheng Ming Monthly* (争鸣), No.219, January 1996, p.19.

⁸⁷³ . Sha Ming, "The Military Exercises in East Sea Give Rise to Covert Struggle at the Top Leadership of Communist China," (沙明, "东海演习引发中共高层暗斗,") *The Nineties*

change his line on Taiwan and the US.⁸⁷⁴ The joint actions of the military and these three rivals for the leadership succession demonstrated, in fact, there was an anti-Jiang coalition. The formation of the coalition was according to their respective political needs. The military wanted its own strategic, political and economic interests, which would not oust Jiang from office so long as he could satisfy it with concessions. However, if Jiang failed to consent to a military response, it was likely that the military would withdraw its support for him. Meanwhile, Jiang's three rivals were committed to replacing him as Deng's successor. They were ready to stand in with the military because they lacked the political strength to eject Jiang from power alone. Although their respective ends were different, the coalitionists were ready to join hands. The military's joint force with Jiang's principal rivals affected his successor position, making him vulnerable to criticism and pressure. Jiang was fearful that the military might shift its support from him to his contenders.⁸⁷⁵

The infighting for the leadership succession within the highest echelons of power in Beijing appeared to have put Jiang on a collision course with the coalition. In order to prevent the coalition from undermining his position as the heir to Deng, he was compelled to shift his stance to the side of the hard-liners. As a result, he lost the initiative in formulating strategy toward Taiwan, being forced to let his political rivals participate more in policy decisions. Although Jiang was the head of the Central Taiwan Work Leading Group and Qiao Shi seldom handled Taiwan affairs, Qiao made a report representing the party's central leadership on "The Present Cross-Strait Situation and Issue of Peacefully Reunifying Taiwan" at the Beidaihe conference for the remaking of PRC policy toward Taiwan from August 7-11, 1995. The conference adopted a resolution pointing out that the PRC would never cherish any unrealistic fancies and would not pin hopes on Lee Teng-hui, instead taking

(九十年代), No.309, October 1995, pp.32-34.

⁸⁷⁴ . Shao Jiang, "Jiang Zemin Signed Treaties in Shanghai in Order to Prevent from Qiao Shi's Political Influence," (绍江, "江泽民上海签约避乔石,") *Cheng Ming Monthly* (争鸣), No.224, June 1996, pp.28-30.

⁸⁷⁵ . For a brief analysis of the military's alliance with the contenders for the leadership succession to press military action against Taiwan upon Jiang, see Edward Friedman, "The Prospects of a Larger War: Chinese Nationalism and the Taiwan Strait Conflict," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.262.

resolute measures to complete the motherland's reunification cause.⁸⁷⁶ This was an apparent revision of Jiang's Eight-Points. Although Jiang had never made known his moderate Taiwan policy had been changed, in fact, his Eight-Points had been undermined internally. This dampened his ambitions of scoring any major achievements on Taiwan and weakened his leadership. Trapped by his political adversaries on the Taiwan issue, he had been relieved of the bulk of his handling of Taiwan affairs. He had no choice but to be tougher toward Taipei and Washington if he was to retain his position as the heir of Deng.

8.2. The Military's Role in Decision-Making on Taiwan

8.2-1. Jiang Zemin's Relationship with the Military

The military played a decisive part in succession politics. Whether Jiang would be able to gain support in the military was a key question to assure his succession from Deng Xiaoping. Indeed, Jiang's poor relationship with the military was his greatest weakness in defending his position as the heir of Deng. The challenge of contenders for the leadership succession increased the pressing need for strong military support. Jiang was eager to ensure the loyalty of the PLA in order to win the succession struggle. Yet, without a personal power base in the army, he was not in an advantageous position to command the armed forces, although he had held the highest military post since November 1989. In theory, the chair of the Central Military Commission (CMC) allowed him to control the army. However, in practice, almost nobody believed that Jiang wielded power as supreme commander of the army at the beginning of his CMC chairmanship.⁸⁷⁷ For Jiang, the biggest disadvantage was his lack of a military background. He was never involved in actual military operations before he became CMC chairman. Although he had been the first political commissar of the Shanghai garrison in the late 1980s, that position was held concurrently in his capacity as the Shanghai Communist Party secretary, which was rather symbolic for the party's leadership over the army. Strictly speaking, he was

⁸⁷⁶ . Luo Bing, "The Inside Information on the Beidaihe Conference," (罗冰, "北戴河会议内部信息,") *Cheng Ming Monthly* (争鸣), No.214, August 1995, pp.8-9.

⁸⁷⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.164-169, 225-226.

the first civilian to hold the CMC chairmanship. As such, officers and soldiers had reluctantly paid him allegiance, which had affected his credibility as commander-in-chief. Jiang himself admitted that he had no experience in military work and vowed to modestly learn military affairs.⁸⁷⁸ He then had to work hard to win the respect and loyalty of the army. A comparison between Mao Zedong, Deng Xiaoping, and Jiang Zemin demonstrates that military experience is essential for those who want to reach the height of power. Both Mao and Deng had military careers and exploits as professional revolutionaries. Unlike his predecessors, Jiang, an undistinguished technocrat, wielded neither real military command nor absolute political power. Therefore, he was not in a position to check the most influential force in contemporary PRC politics. He had a few political resources for reining in the military, mainly the doctrine of “the party’s absolute leadership over the gun”.⁸⁷⁹ He had conducted an ideological campaign in the PLA to promote loyalty to himself, urging all officers and soldiers to follow the command of CMC Chairman Jiang. Yet many servicemen remained reluctant to recognise his authority over the PLA as the core of the third-generation leadership. He had been handicapped in his relationship with the military since the day he became paramount leader.

Under such circumstances, Jiang had to court the military in exchange for its full backing for his right of leadership succession.⁸⁸⁰ He assiduously cultivated good relations with the military by championing its three major objectives. He strove to meet their demands for political privilege, army modernisation and defence budget. Politically, he allowed the military more participation in the party’s and governmental policy decision, allowing it to raise its social stature and maintain its privileged position. In the Jiang Zemin era, the military had a greater say than in the eras of Mao Zedong and Deng Xiaoping, reinforcing its place in politics. In terms of

⁸⁷⁸ . Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. Princeton, New Jersey: Princeton University Press, 1994, p.301.

⁸⁷⁹ . You Ji considers that Jiang took “advantage of his institutional authority” as CMC chairman in seeking to control the military. Meanwhile, he had to meet the military’s demands for its privileges and vital interests. See You Ji, “Jiang Zemin’s Command of the Military,” *The China Journal*, No.45, January 2001, pp.131-138.

⁸⁸⁰ . Regarding Jiang’s effort to court the military, see David Shambaugh, “China’s Commander-in-Chief: Jiang Zemin and the PLA,” in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.209-245; Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China’s New Elite*. Berkeley: University of California Press, 1998, pp.226-227.

defence modernisation, he tried to satisfy the military's wishes. He talked about the importance of a strong army calling for the military's rapid modernisation while advocating technological improvements to strengthen defence and the military's ability to cope with hi-tech regional wars. Basically, he consented to PLA plans to modernise its weaponry. He approved many of the military's purchasing lists for sophisticated weapons and equipment, including the imports of advanced Russian-made warships, fighter planes and missiles. With respect to the demand for defence budget, he approved the PLA annual double-digit increases.⁸⁸¹ In addition, he promised more budgetary resources in the future.⁸⁸² When the military engaged in business activities to make up its financial deficiency, he rode with a loose rein allowing the PLA to make money.⁸⁸³

Jiang's attempts to both court and control the military appeared to have resulted partly in success but have produced side-effects because of contradictory elements. On one hand, support was, to some extent, gained. The military had accepted his leadership over the armed forces as supreme commander. However, as the price of his support, he was forced to make major concessions, lowering himself in the eyes of servicemen. On the other hand, he had not thrown the reins to the military because his goal was to control the military to make it loyal to himself. This intention was in conflict with the military's aggressive demands for keeping a slack rein. Although Jiang had sought to court them, the military remained dissatisfied with him. Under these circumstances, strained relations emerged, despite Jiang's attempts to cultivate amicable ties. As Jiang developed misgivings about his control over the military and the military pursued its own particular interests, a divergence was exposed between the armed forces and supreme commander. Politically, the military's deeper and broader involvement in policy decision making had begun to ring alarm bells about Jiang's leadership. For example, Jiang's plans to reduce the size of the PLA had to be suspended or slowed up when he met resistance by the

⁸⁸¹ . Suisheng Zhao, *Power Competition in East Asia: From the Old Chinese World Order to Post-Cold War Regional Multipolarity*. New York: St. Martin's Press, 1997, p.218.

⁸⁸² . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.45.

⁸⁸³ . Willy Lam and Frankie Leung, "Peking Facing Crucial Tests After Deng," *The Free China Journal*, October 13, 1995.

generals.⁸⁸⁴ This damaged his prestige as commander in-chief. He had to prevent the military from increasingly interfering in policy formulations on major issues while compromising. This brought him into contradiction with the military. In terms of the military's expectations for a quickened defence modernisation drive, he had to balance those demands with concerns over the national economy. When he required that the PLA should be subservient to overall goals of economic construction, the military had become dissatisfied with him. Regarding the military's aggressive demand for a bigger budget, he expressed his difficulties in delivering his promises to grant the PLA an increasingly larger share in the national budget by indicating that an increase in military spending would be conditional. He advised the military that only on the basis of economic growth could more funds be available to develop the forces be appropriated.⁸⁸⁵ As a result of worsening corruption and increasing disciplinary problems, he had to place restrictions on the PLA business activities by enhancing its financial dependence on his leadership. Particularly, this caused further tension with the military. These three major issues, political privilege, military modernisation and defence budget, had become the continued disputes between Jiang and the military. As Jiang tried to rein in the military restraining its unmeasured demands, feelings on both sides became increasingly uncharitable. To be fair, Jiang's remarks and conduct curbing the military's excessive demands were nothing new. He only reiterated the guidelines of military strategy defined by Deng and continued to pursue Deng's policies of building the army and constructing the country, making greater concessions to the military. However, unlike Deng who had military experience and exploits as well as high prestige and authority, Jiang was not viewed as 'one of' the military, due to his lack of a service record. Jiang's attempt to rein in the military resulted in straining relations between the sides. Contrary to Jiang's wish, the military had become more assertive. This potentially placed his successor position in jeopardy and consequently threatened to unhinge his management of the crisis in the Taiwan Strait.

⁸⁸⁴ . See Chapter 5.3. The Military's Interests in Taiwan Policy-Making.

⁸⁸⁵ . You Ji, "Missile Diplomacy and PRC Domestic Politics," in Greg Austin (ed.), *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power*. Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997, p.45.

The Yang family generals are an important element in assessing Jiang's relations with the military. The struggle between Yang and Jiang is a key issue in his quest for military command. The Yang family generals were a feared clique in the military and one of the most powerful factions in the political hierarchy. Yang Shangkun was once considered the most influential party and military elder after Deng, and until the early 1990s, he had hoped to succeed Deng as paramount leader. Further, he had the strong backing of his half brother, Yang Baibing, who held key military posts. Thus the Yang brothers posed an immediate threat to Jiang's successor position. The two sides, Yang and Jiang, became mortal enemies in the early 1990s. The two Yangs took advantage of Deng's criticism of Jiang during his 1992 tour of southern China, putting him under strong pressure to resign. The brothers pledged the military's loyalty to support and defend Deng's reform and opening policies amid the worst political crisis since Jiang took charge of the leading body. Furthermore, Yang Shangkun launched a concerted effort to unseat Jiang proposing that Deng dismiss him at the coming party's 14th National Congress of 1992 by reason of Jiang's lack of enthusiasm for reform. Meanwhile, an embattled Jiang secretly reported to Deng that Yang Shangkun had matched himself against Deng. In a letter sent by Jiang to Deng, he alleged that Yang would seek to reappraise the Tiananmen events of 1989 to pin the bloodshed on Deng and establish a Zhao Ziyang administration without direct participation by Zhao Ziyang.⁸⁸⁶ Jiang requested Deng's approval to remove the Yang family generals.⁸⁸⁷ A crucial contest to succeed Deng between Jiang and the two Yangs presaged that Jiang's leadership in the post-Deng era would be in jeopardy. The Yang family generals, were an extremely powerful political and military force. Regardless of whether or not they had any ambition to exploit their military command to take supreme power, they were perceived as the largest threat to

⁸⁸⁶ . According to Xu Jiatao, there was a fierce power struggle between the Yang family generals and Jiang. Xu was a former member of the party's Central Committee and director of the Hong Kong branch of the official Xinhua news agency, which was the PRC Government's official representative in the then British colony. Xu knew many inside stories on the PRC leadership and had a good personal relationship with Yang. When Yang served as the head of the Central Taiwan Work Leading Group, Xu also worked on cross-strait relations under Yang's leadership as an important part of his duties because of the convenience of dealing with Taiwan in Hong Kong. See "Before Yang Family Generals Were Removed from Office, Yang Shangkun Had Intended to Oust Jiang Zemin and Li Peng from Office," ("杨家将削权前 杨尚昆曾想拉江泽民·李鹏下台,") *TTNN* (华讯每日新闻), September 20, 1998.

⁸⁸⁷ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, p.195.

Deng's arrangement for Jiang's succession.⁸⁸⁸ Jiang successfully convinced Deng to strip the brothers of their military command in order to safeguard his heir. In the power struggle between the Yang brothers and Jiang, Deng finally stood by Jiang's side. Between 1992 and 1993, Yang Shangkun was forced into retirement from all his official posts including his position as the head of the Central Taiwan Work Leading Group. Yang Baibing was removed from all his military posts and Secretariat membership of the party's Central Committee in 1992 despite becoming a member of the Politburo, which was an outward promotion but an actual demotion.⁸⁸⁹ Thus, Jiang won a decisive battle in purging his strongest political enemy from the military hierarchy. The fall of the Yang family generals saved Jiang from a threat to his successor position, helping foster his power before Deng's demise. Jiang made three major gains from his triumph over the Yang family generals—the recaptured military command, the state presidency and the control of the decision-making in relation to Taiwan policy.

Jiang had consolidated his successor position and had improved his conditions for commanding the army, but there was still much to be done in order to grasp the military's leadership. He had taken major measures in the key military leadership reshuffle, which can be divided into two phases. In the first phase, from late 1992 to mid-1994, Jiang purged the two Yangs' supporters and installed his proteges in key positions. The Yang family generals had controlled almost all high-level military appointments since the late 1980s, which posed a serious threat to Jiang. After the Yangs were removed from the CMC, Jiang was able to secure the promotion of many of his military allies. A major reshuffle of the army leadership had taken place in which there were wide-ranging personnel changes. In curbing the Yangs' influence

⁸⁸⁸ . So far, there has been no conclusive evidence or information on whether the Yang brothers had conspired to replace Jiang with themselves through a military *coup d'état* or other forcible means after Deng's death. However, it seems that Yang Baibing showed his political ambitions in 1992 when, under unauthorised conditions, he prepared for 'security protocols' to keep order in the event of the Deng's demise. This became the most damaging charge against Yang Baibing, being considered by Deng as indicating the possibility of a coup by Yang Baibing. See David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.223-225.

⁸⁸⁹ . Yang Baibing had been a Politburo member without a portfolio from 1992 to 1997, and was edged to the sidelines. See Pan Yongchang and Zhong Shi, "Zeng Qinghong on the Quite Organises the Team of Jiang Core," (潘永昌·钟实, "曾庆红暗营江核心班底,") *Cheng Ming Monthly*

within the military, Jiang had removed or transferred some three hundred high-level officers, replacing Yang loyalists with his own trusted officers.⁸⁹⁰ Jiang tended increasingly to favour military officers who could be relied upon to support him in the power struggle for the leadership succession. At the end of 1992, he appointed three supporters of his as CMC members and directors of the PLA three general departments. Respectively, Zhang Wannian, Yu Yongbo and Fu Quanyou took over as the chief of the general staff, the director of the general political department and the director of the general logistics department. On June 7, 1993, Jiang promoted them and three other senior officers to the rank of general.⁸⁹¹ From mid-1993 to mid-1994, he conferred the rank of general on another 13 senior officers.⁸⁹² By reshuffling, he largely had the upper hand in the PLA's three general departments, while also having an influence over army generals. However, Jiang had aroused controversy among the military officer corps and his promotions produced a series of problems, causing a new unbalance in all services and arms and stimulating more demands by the generals. For example, as we have seen, the Second Artillery Corps formally demanded to change its name to the PLA Strategic Rocket Force in order to promote its position from an arm to a service, while both the Navy and Air Force demanded their own memberships in the CMC. Jiang found it hard to meet the unmeasured demands for higher posts and ranks which the greedy army generals required in exchange for the military's backing of his leadership. He was in political difficulties which increasingly put greater pressure on him.⁸⁹³ The support of the generals for Jiang was conditional and unstable. He was worried and angered that

(争鸣), No.221, March 1996, p.42.

⁸⁹⁰ . Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng*(Second Edition). New York: Cambridge University Press, 1997, pp.507-508.

⁸⁹¹ . Three other senior officers were Zhu Dunfa, President of the National Defence University, Zhang Lianzhong, Commander of the PLA Navy and Cao Shuangming, Commander of the PLA Air Force. See Wu Jiang, "It Is Reported that Yu Yongbo Will Assume the Post of Defence Minister," (吴江, "传于永波将接任中共国防部长,") *TINN* (华讯每日新闻), February 9, 2001.

⁸⁹² . Willy Lam and Frankie Leung, "Peking Facing Crucial Tests After Deng," *The Free China Journal*, October 13, 1995.

⁸⁹³ . Qu Tao, "There Is More Behind Jiang Zemin Promoted Senior Officers to the Rank of Full General," (曲涛, "江泽民授上将军衔的背后,") *Cheng Ming Monthly* (争鸣), No.221, March 1996, pp.35-38; Qu Tao, "Can an Attack with Missiles on Taiwan Become Effective within Three Minutes?" (曲涛, "导弹攻台'三分钟奏效'") *Cheng Ming Monthly* (争鸣), No.219, January 1996, pp.21-22.

military organs such as *The Liberation Army Daily* still looked down upon him when in published reports. Jiang's authority over the army remained insecure.⁸⁹⁴

In the second phase from mid-1994 to late 1995, Jiang attempted to deal with the problems caused by two incumbent PLA veterans. When the Yang family generals were removed from the CMC, Admiral Liu Huaqing and General Zhang Zhen were brought in as vice-chairmen, despite having retired.⁸⁹⁵ Liu played a bigger role than Zhang in the CMC. Seen as close to Deng, Liu was deputed by Deng to help Jiang assert control over the army and solidify his leadership.⁸⁹⁶ Liu did, so guiding the PLA into acceptance of Jiang as Deng's successor. Liu was not ambitious for supreme power. However, he was put on the Politburo Standing Committee and had the seniority, the prestige and the military exploits, to overshadow Jiang. Jiang stood in awe of him and had to take his advice into account on major issues. Under such circumstances, these two PLA veteran generals, especially Liu, had real power over the army. Jiang was unable to decide reshuffles and appointments of senior officers and had to consult with Liu and Zhang and make compromise deals.⁸⁹⁷ On major issues, all services, arms, various military major regions and group-armies asked for instructions from, and reported to, Liu and Zhang rather than Jiang. Jiang had been relieved of the bulk of his duties regarding military command and the handling of PLA affairs. This problem was so serious that in March 1995 Deng met the PLA chiefs, calling for them to unconditionally obey the orders of Jiang.⁸⁹⁸

Liu was close to two of Jiang's main rivals for the leadership succession, the Chairman of the National People's Congress' Standing Committee, Qiao Shi and Premier Li Peng. An alliance would pose a threat to Jiang's position as the heir of

⁸⁹⁴ . Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite*. Berkeley: University of California Press, 1998, pp.225-226.

⁸⁹⁵ . Roderick MacFarquhar (ed.), *The Politics of China: The Eras of Mao and Deng (Second Edition)*. New York: Cambridge University Press, 1997, p.508.

⁸⁹⁶ . You Ji, "Jiang Zemin: In Quest of Post-Deng Supremacy," in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.8; Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping*. Princeton, New Jersey: Princeton University Press, 1994, pp.365-366.

⁸⁹⁷ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.184.

⁸⁹⁸ . Luo Bing, "The Military Reduces Jiang to a Mere Figurehead—Deng Meets the Top Military Leaders Speaking to Them about the Four Major Issues," (罗冰, "军方架空江泽民—邓晤军头讲四句话,") *The Trend Magazine (动向)*, No.116, April 1995, pp.8-9.

Deng.⁸⁹⁹ After Liu assisted in a smooth succession for Jiang, Jiang did not need him any more and intended to curb his influence and that of his potential allies. Jiang hoped that Liu would retire again, thereby shoring up his own control of the military. As tensions in the Taiwan Strait increased in late 1995, however, Admiral Liu and General Zhang allied with Chairman Qiao and Premier Li in criticising Jiang's moderate Taiwan policy.⁹⁰⁰ In the face of these two formidable military opponents and their coalition with Qiao and Li, Jiang felt the urgent need to reshuffle the CMC and promote his own people. Because Jiang was unable to remove Liu and Zhang any sooner, he adopted outflanking tactics. Two younger generals were added to the vice-chairmanships of the CMC in an attempt to weaken the functions and powers of Liu and Zhang. Therefore, in September 1995, General Zhang Wannian, the chief of the general staff, and General Chi Haotian, the minister of defence, were appointed as CMC vice-chairmen.⁹⁰¹ Both new vice-chairmen were viewed as Jiang's supporters but their degree of support differed. Zhang Wannian was widely seen as a strong supporter of Jiang. Because he was the biggest benefactor of Jiang's reshuffle, he wanted to reciprocate Jiang's confidence. During the Taiwan crisis, he almost never criticised Jiang's Taiwan policy. This notwithstanding, he assumed a strong stance toward Taiwan and the US for the sake of the military's unity and in the interests of seeking to win his own reputation in the army.⁹⁰² Chi's support for Jiang was less apparent. Chi sought to preserve the PLA interests more than he supported Jiang. His opinions on the Taiwan crisis were more aggressive than Zhang Wannian's and were largely out of accord with Jiang's Taiwan policy.⁹⁰³ The behaviour of these two

⁸⁹⁹ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, p.184; Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*. New York and London: W. W. Norton & Company, 1997, pp.183-184; Sha Ming, "The Military Exercises in East Sea Give Rise to Covert Struggle at the Top Leadership of Communist China," (沙明, "东海演习引发中共高层暗斗,") *The Nineties* (九十年代), No.309, October 1995, pp.32-34.

⁹⁰⁰ . Sha Ming, "The Military Exercises in East Sea Give Rise to Covert Struggle at the Top Leadership of Communist China," (沙明, "东海演习引发中共高层暗斗,") *The Nineties* (九十年代), No.309, October 1995, pp.32-34.

⁹⁰¹ . "Economy Focus of CPC Goals," *Beijing Review*, October 16-22, 1995, p.5.

⁹⁰² . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.190-192; Yi Fan, "The Top Military Leaders Brag that the PLA Will Need Less Than Two Days to Mount a Successful Invasion of Taiwan," (易凡, "军头夸言两天攻陷台湾,") *Cheng Ming Monthly* (争鸣), No.218, December 1995, pp.29-30.

⁹⁰³ . Lu Weimin(陆维民), "The Military Criticises Deng Xiaoping of Delaying National Defence,"

supporters of Jiang showed that support could not always be translated into loyalty and control. Meanwhile, Liu and Zhang Zhen retained their first and second ranking vice-chairmanships despite expecting to be eased out in two years. Although their power was shared with two new CMC vice-chairmen, both veterans retained their decisive roles in discharging CMC responsibilities along with their powerful political influence.

After augmenting the vice-chairmanships of the CMC, the unfavourable situation for Jiang in the military's hierarchy had been partially remedied but had not been fundamentally changed. The military continued to firmly preserve its own vital interests, generally speaking with one voice. Even Xiong Guangkai, the then director of the PLA intelligence department who was close to Jiang, was reluctant to support his moderate Taiwan policy during the crisis.⁹⁰⁴ In late 1995, Xiong aired the strongest of anti-American views, threatening to incinerate Los Angeles with nuclear destruction if America should come to the aid of Taiwan.⁹⁰⁵ Retired PLA generals also remained important. They took the opportunity presented by strained PRC-US relations and cross-strait tensions to regain military commands.⁹⁰⁶ They had been very active during the Taiwan crisis and frequently interfered in interlinked policies toward Taiwan and the US.⁹⁰⁷ This strengthened the military's influence over Jiang on decisions concerning Taiwan and put heavier pressure on him. Although Jiang had deliberately sought to whip the military into line, he was still not in a position of control. After the appointments of Zhang Wannian and Chi Haotian, the military, as a whole, remained strongly-positioned to articulate itself and press its views upon Jiang. Until the question of the leadership succession was decisively resolved, the challenges by the contenders for Deng's heirship forced Jiang to rely increasingly on

(军方指责邓小平延误国防) *Beijing Spring* (北京之春), No.29, October 1995, p.21; Yi Fan, "The Top Military Leaders Brag that the PLA Will Need Less Than Two Days to Mount a Successful Invasion of Taiwan," (易凡, "军头夸言两天攻陷台湾,") *Cheng Ming Monthly* (争鸣), No.218, December 1995, pp.29-30.

⁹⁰⁴ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.14-15, 174.

⁹⁰⁵ . James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton*. New York: Alfred A. Knopf, 1999, pp.334, 342.

⁹⁰⁶ . During the Taiwan Strait crisis of 1995-96, retired PLA generals had attempted to establish a central military advisory commission but had failed. See Li Zao, "Retired Generals Attempt to Establish a Central Military Advisory Commission," (立早, "退休将领谋设军顾委,") *Cheng Ming Monthly* (争鸣), No.215, September 1995, pp.8-10.

the military. As such, the military's crucial role in the post-Deng succession and Jiang's inability to control it determined that he had to accept its adventurist plans of conducting war games during the Taiwan crisis.

8.2-2. The Military's Role in Pressing upon Jiang Zemin the Adoption of Strong Measures against Taiwan⁹⁰⁸

From the outset, the military looked unfavourably upon Jiang's eight point proposal on the Taiwan issue, and became increasingly opposed.⁹⁰⁹ Jiang had sought to embark on his moderate Taiwan policy with the backing of the military but had failed. The military had consistently advocated a tough line with Taiwan. His moderate policy with eight points was perceived as a sign of weakness. Bearing in mind the range of strategic, political and economic interests involved, the military had managed to prevent Jiang from going too far along with his mild line.

Shortly before the publication of Jiang's Eight-Points, on December 12-25, 1994, the Ministry of National Defence and the General Staff Department held a symposium entitled "The Strategic Principle toward Taiwan". Most top military leaders attended the symposium and General Chi Haotian, Minister of Defence, delivered a bellicose speech. He believed that cross-strait relations were in tension and wished to step up combat readiness while preparing to deal with armed intervention by the United States and its allies over the Taiwan issue. The symposium discussed the issues of Taiwan policy and determined Lee Teng-hui to be a separatist and a threat, in light of his political behaviour and policy direction. The military's mainstream viewpoints were summarised and eight points for dealing with Taiwan were brought forward, advocating a firmer approach. The military's eight points deemed that the Lee Teng-hui's administration was pursuing Taiwan

⁹⁰⁷ . Luo Bing, "More Than Fifty Generals Mount Pressure on Jiang Zemin," (罗冰, "半百将军向江泽民施压,") *Cheng Ming Monthly* (争鸣), No.214, August 1995, pp.8-9.

⁹⁰⁸ . For an examination of the PRC military's involvement in the Taiwan policy process, mainly the handling of the Taiwan Strait crisis of 1995-96, see Ellis Joffe, "How Much Does the PLA Make Foreign Policy?" in David S.G. Goodman and Gerald Segal (eds), *China Rising*. London and New York: Routledge, 1997, pp.53-70.

⁹⁰⁹ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.172-173; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, p.61.

independence and asserted that Lee's cross-strait policy was hostile to mainland China. While Taipei promoted the intention to "create two Chinas, or one China, one Taiwan, or Taiwan independence", the PRC would impose a blockade of Taiwan or take resolute military actions to thoroughly settle the reunification issue.⁹¹⁰ In terms of Taiwan policy, the military's eight points were diametrically opposite to Jiang's eight points. The military's eight points did not mention peaceful reunification at all, and denied that there would be the possibility of reaching a consensus on the reunification issue through negotiations and consultations between Beijing and Taipei. They proposed that only after reunification by military means could the "one country, two systems" be exercised in Taiwan. This demonstrated that the military was still preparing for the use of force in settling the Taiwan issue, despite Jiang planning to make peaceful overtures toward Taipei.

Worse still, soon afterwards, the military implemented its tough policy. On January 30, 1995, the same day that Jiang offered his overtures with eight propositions toward Taiwan, the PRC military high command deployed new missile forces in areas opposite Taiwan. The PLA missile unit moved its M-class missile bases from the inland province of Jiangxi to the coastal province of Fujian, opposite Taiwan. This constituted a new military threat to the island, although Jiang took the initiative, launching his 'smile' offensives. The military's fresh heavy arms build-up directed at Taiwan indicated its disapprobation of Jiang's approach to Taiwan placing him at a disadvantage in accommodating Taipei. This undercut the significance of his eight-point proposal, arousing Taipei's suspicion about his sincerity in developing cross-strait relations and promoting peaceful reunification.⁹¹¹ More crucially, the military's demonstrations exposed Jiang's inability to rein in the PLA, emphasising the weak and unstable nature of his leadership.

The military viewed the publication of Jiang's eight point proposal on Taiwan as a weak policy.⁹¹² In response to Lee Teng-hui's US visit, the military was extremely

⁹¹⁰ . Yi Fan, "Communist China Prepares Public Opinion for Forcible Invasion of Taiwan," (易凡, "中共为武力攻台作舆论准备,") *Cheng Ming Monthly* (争鸣), No.208, February 1995, pp.25-26.

⁹¹¹ . Christie Su, "ROC Military Says Mainland Missile Shift Perils Taiwan," *The Free China Journal*, March 3, 1995; Susan Yu, "ROC Foreign Minister Warns Peking on 'Rigid' Mentality," *The Free China Journal*, March 10, 1995.

⁹¹² . The military published a series of articles critical of Jiang's moderate Taiwan policy despite not mentioning him by name. For example, in marking the 50th anniversary of the War of Resistance

critical, in sharp contrast with Jiang's restrained attitude, again demonstrating its disapproval of Jiang's moderate Taiwan policy. Shortly after the Clinton administration decided to issue a visa to Lee on May 22, 1995, the military responded harshly. On May 23, the Commander of the PLA Air Force, Yu Zhenwu, cut short his US tour and returned home.⁹¹³ On May 26, Minister of Defence Chi Haotian postponed a planned visit to the US.⁹¹⁴ In the meantime, the military had taken an aggressive, hard-line position while exerting powerful pressure on Jiang. On May 24, the Ministry of National Defence, the General Staff Department, the Navy, the Air Force and the Second Artillery Corps wrote a letter jointly to the State Council and the Central Military Commission. It demanded that the PRC government take firm and substantive steps to counter the provocation of the American authorities and adopt essential measures against the Taiwan authorities. The Ministry of National Defence and the Second Artillery Corps even proposed that the PRC should cut off political relations and military contacts with the US as the first of a series of strong measures.⁹¹⁵ On June 2 the General Political Department, the General Logistics Department, the General Staff Department and the Commission of Science, Technology and Industry for National Defence submitted a proposal jointly to the State Council and the Central Military Commission. It proposed that the party's central leadership should revise the PRC guiding principle and policy toward the US, while remaking Taiwan policy. It also demanded the party's central leadership take countermeasures to deal with a deterioration in PRC-US relations and

Against Japan, Liu Huaqing and Chi Haotian respectively took the occasion of publishing their signed articles advocating nationalism and implicitly criticising Jiang's weak stand on Taiwan. In their articles packed with hard-line and threatening rhetoric, they disapproved of Jiang's flexible eight point policy proposal on Taiwan and insisted on the military's hawkish standpoints. Against Jiang's assurances to the Taiwanese people that Chinese should not fight fellow Chinese, Liu and Chi renewed their threat that the PLA would use force to stop Taiwanese splitting with the mainland. See Lu Weimin, "The Military Criticises Deng Xiaoping of Delaying National Defence," (陆维民, "军方指责邓小平延误国防,") *Beijing Spring* (北京之春), No.29, October 1995, pp.21-23; Yue Mumin, "The Military Increases Its Say to Influence the CPC Decision-making," (岳穆敏, "军方提升发言权左右中共决策,") *Beijing Spring* (北京之春), No.29, October 1995, p.27.
⁹¹³ "News Brief by Chinese Foreign Ministry," *Beijing Review*, June 12-18, 1995, p.21.

⁹¹⁴ "Lee's US Entry Visa Protested," *Beijing Review*, June 12-18, 1995, p.7.

⁹¹⁵ Luo Bing, "The Military Hawk Grows More Powerful and Jiang Zemin Is Forced to Make Self-Criticism—Communist China Reviews Its Interlinked Strategies toward America and Taiwan," (罗冰, "军方鹰派坐大 江泽民被迫检讨一中共调整美台战略,") *The Trend Magazine* (动向), No.118, June 1995, p.8.

a radical change in cross-strait relations.⁹¹⁶ Member of the party's Politburo Standing Committee and First CMC Vice-Chairman Liu Huaqing had played a leading role in pressing the military's opinion upon Jiang. In the symposium attended by the commanders of all services and arms as well as military colleges on June 19, and the Party Congress of the Commission of Science, Technology and Industry for National Defence on June 22, Liu declared that the PRC would adopt military means to settle the Taiwan issue and smash the scheme of Taiwan independence.⁹¹⁷ This whipped up belligerent sentiments and cut down Jiang's room for diplomatic and political solutions to the disputes in PRC-US and cross-strait relations. In cooperation with Liu, Second CMC Vice-Chairman Zhang Zhen focused on criticising Jiang's guiding principle on the US, stirring up indignation against the US and reducing Jiang to a passive position. On May 24, Zhang pointed out emphatically that Jiang's policy had taken overmuch account of the relationship with the US, and actually there were four aspects which were more important. Zhang called for preparation for a showdown between the PRC and the US while demanding a change in the US policy.⁹¹⁸ Further, the PLA chiefs claimed that Jiang's moderate eight point policy toward Taiwan had failed because it stirred Lee to embark on his US visit. They demanded a re-explanation of Jiang's Eight-Points to deter Taiwan from taking the road of independence. The military maintained that Beijing should take an intransigent attitude toward the US over Taiwan. Jiang was under tremendous PLA pressure to escalate responses by utilising military means to respond to Lee's US visit.⁹¹⁹

Both senior military officers and retired generals severely criticised Jiang's soft stance on Taiwan and the US, even going as far as to challenge his successor

⁹¹⁶ . Luo Bing, "Each Sticks to His Own View on Policies toward the US and Taiwan—The Disputes among the Party, Government and Military," (罗冰, "对美对台政策各执一词—党政军大纷争,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, p.8.

⁹¹⁷ . Guan Jie, "Communist China's New Interlinked Policies toward America and Taiwan," (关捷, "中共对美台新政策,") *The Trend Magazine* (动向), No.119, July 1995, p.21.

⁹¹⁸ . Luo Bing, "The Military Hawk Grows More Powerful and Jiang Zemin Is Forced to Make Self-Criticism—Communist China Reviews Its Interlinked Strategies toward America and Taiwan," (罗冰, "军方鹰派坐大 江泽民被迫检讨—中共调整美台战略,") *The Trend Magazine* (动向), No.118, June 1995, p.8.

⁹¹⁹ . David Shambaugh, "China's Commander-in-Chief: Jiang Zemin and the PLA," in C. Dennison Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, pp.210-211; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.61-62, 172n.38; John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in C. Dennison

position. In the symposium marking the 50th anniversary of the War of Resistance Against Japan on June 20, retired PLA generals accused Jiang of being weak in his policies toward Taiwan and the US. They started a revolt, angrily reproaching him for behaviour injurious to national security and party-state interests. Jiang was rebuked for his weakness and incompetence as well as a neglect of duty, and his resignation was demanded. Some of the veterans proposed that Jiang should be substituted by other candidates for Deng's successor position as early as possible. With unanimous resolution, these retired PLA generals backed incumbent generals and military departments in pressing their opinions upon Jiang. In addition, more than fifty retired generals wrote a letter in joint names to the party's Central Committee, the State Council and the Central Military Commission. It put forward an eleven-point proposal demanding the adoption of tough policies toward Taiwan and the US and the settlement of the Taiwan issue by force. It proposed stepping up combat readiness for a military conflict in the Taiwan Strait while making preparations for American armed intervention. Worried about the threat of retired PLA generals to his right of succession, Jiang took their strong demands seriously. On July 4, he met seven leading retired generals responding to their proposals with two guarantees. He assured them that the party's central leadership would substantively respond to American hegemonist provocations with resolute measures while deploying military forces to meet any attack of the US Army. He also pledged himself to not permit the Taiwan independence force headed by Lee Teng-hui to separate the country, promising to take resolute military measures to resolve the reunification issue.⁹²⁰ The interference by retired PLA generals in interlinked policies toward Taiwan and the US in effect became part of the official military's positions on tensions over Taiwan, fuelling the military to flex its political muscle in pressing Jiang to accept its views.

An assault by the military on the soft stands of the civilian departments concerned was an important part of pressing Jiang to take a tougher posture against Taipei and Washington. The Ministry of Foreign Affairs (MFA) did not advocate aggravating

Lane, Mark Weisenbloom and Dimon Liu (eds), *Chinese Military Modernization*. New York: Kegan Paul International, 1996, p.272.

⁹²⁰ . Luo Bing, "More Than Fifty Generals Mount Pressure on Jiang Zemin," (罗冰, "半百将军向江泽民施压,") *Cheng Ming Monthly* (争鸣), No.214, August 1995, pp.8-9.

tension over Lee Teng-hui's US visit, while the Taiwan Affairs Office (TAO) objected to any retaliatory measures beyond those deemed strictly necessary. However, their moderate voices were overridden by the powerful military.⁹²¹ While criticising the TAO, the military focused on accusing the MFA of adopting weak positions and making false moves. A lot of military officers satirised the MFA as the "ministry of traitors". Jiang himself was politically vulnerable and struggled to defend his successor position. As such, he was unable to protect the civilian departments concerned from these attacks. His moderate, interlinked policies toward Taiwan and the US were therefore compromised. The military concentrated on bringing an accusation against the Vice-Premier and Foreign Minister, Qian Qichen, who was concurrently the CTWLG (the Central Taiwan Work Leading Group) deputy-head. In mid-July, the hawks within the Ministry of National Defence and the Commission of Science, Technology and Industry for National Defence raised doubts about the diplomatic line and strategic principles regarding the US of the MFA, as led by Qian. In mid-September, they raised "Several Views on Comrade Qian Qichen's Leadership of the MFA". On September 25, the hawks within the Defence University and the Academy of Military Science wrote a joint letter to the party's Fifth Session of the 14th Central Committee demanding a review of US policy and the dismissal of Qian. Their attacks on Qian and demands for his dismissal were in fact aimed at Jiang, in an attempt to force him to change his soft-line and toughen his stance toward Taiwan and the US.⁹²² In mid-1995, the CTWLG secretary-general Wang Zhaoguo, Politburo Member and Director of the Taiwan Affairs Office, was replaced by Xiong Guangkai, the military's representative on the CTWLG, although Wang did retain CTWLG membership.⁹²³ This indicated that the military was playing a larger role in the formulation of US and Taiwan policy, promoting approaches of its own preference. In rifts between the military and the civilian leadership, Jiang yielded to the military, reducing the functions and powers of the

⁹²¹ . Lan Xin, "Lee Teng-hui's US Visit Gives Rise to Internal Strife of Communist China," (蓝辛, "李登辉访美引发中共内斗,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.11-12; Yan Hua, "The Military of Communist China Plans to Blockade Taiwan in Another Form," (岩华, "中共军方策划对台变相封锁,") *The Nineties* (九十年代), No.309, October 1995, p.64.

⁹²² . Luo Bing, "Jiang's US Tour Causes a Disturbance in Zhongnanhai," (罗冰, "江赴美引发中南海风波,") *Cheng Ming Monthly* (争鸣), No.217, November 1995, pp.6-8.

⁹²³ . John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.61-62.

civilian departments concerned with handling of US and Taiwan affairs. The aggressive positions taken by the military forced both Jiang and the civilian leaders and departments concerned to toughen their stands.

Succession politics and the Taiwan crisis provided the military with the opportunity to greatly influence interlinked policies toward Taiwan and the US in the quest for its vital interests. The military's severe criticism sent warning messages to Jiang. He was fearful of losing his successor position, which had been threatened by the anti-Jiang coalition of the military and contenders for the leadership succession. In order to retain his succession to supreme power, he bowed to the pressures, issuing his self-criticism for failing to prevent Lee Teng-hui's from visiting the US to an enlarged emergency meeting of the Political Bureau on May 28. By and large, the military expressed satisfaction with this self-criticism, but the hawks within the General Staff Department and the Ministry of National Defence still assailed Jiang for his Right-deviationist mistakes in the CMC enlarged meeting on June 2.⁹²⁴ Worried that the military would strengthen ties with his principal political opponents, Jiang was impelled by necessity to accept the military's aggressive demands and launch military exercises to intimidate Taiwan. Being aware that his successor position remained dependant on the military's support, he had to continue toughening his stance on Taiwan and the US to cater to the aggressive needs of the military. On September 7 when Jiang met and gave a banquet to more than eighty retired PLA generals, he set nine circumstances under which force against Taiwan would be used, including American interference in the Taiwan issue and support for Taiwan independence. It was called Jiang's Nine-Points. These Nine-Points were completely different from his Eight-Points of January, indicating a drastic change in his Taiwan policy and only briefly mentioning the possibility of peacefully reunifying with Taiwan. In the meeting and banquet, two CMC Vice-Chairmen, Liu Huaqing and Zhang Zhen made more bellicose speeches to impel Jiang to move on to intensify military confrontation in the Taiwan Strait. Liu said that military means

⁹²⁴ . Luo Bing, "The Military Hawk Grows More Powerful and Jiang Zemin Is Forced to Make Self-Criticism—Communist China Reviews Its Interlinked Strategies toward America and Taiwan," (罗冰, "军方鹰派坐大 江泽民被迫检讨—中共调整美台战略,") *The Trend Magazine* (动向), No.118, June 1995, pp.6-8.

were the only and final option in settling the Taiwan issue while Zhang kept calling for the liberation of Taiwan.⁹²⁵

Although Jiang had been receptive to the military's sentiments, showing that he would respond to Lee Teng-hui's US visit with a high hand, so long as there was an opportunity he would try to move back to his original moderate Taiwan policy. When he was interviewed by the *U.S. News & World Report* in October 1995, he reaffirmed his overtures by offering a cross-strait summit in his eight-point proposal. He made it known that he welcomed Lee Teng-hui to visit mainland China while saying that he would like to visit Taiwan if Lee invited him. By sending a signal differing from the military's belligerence, he wanted to temper tensions and sustain cross-strait engagement through dialogue.⁹²⁶ The military was displeased with Jiang's contradictory approach. The interview had been arranged by the military with the aim of intensifying the PRC tough stance toward Taipei and Washington, but Jiang's reaffirmation of his eight-point proposal, especially the cross-strait summit, had produced effects to the contrary. The military sought to reverse the negative effects with a revised edition of Jiang's interview to be published by the PRC state-run media. Shortly thereafter, Xinhua, the state news agency, published a version of Jiang's interview differing from *U.S. News & World Report*, weakening the effects of the invitation to Lee for his visit to the mainland.⁹²⁷ The revision was extremely rare for a leader's speech, indicating the strained relations between Jiang and the military. This impaired Jiang's prestige while causing the military to compel him to correct his ambivalent behaviour.

Dissatisfied with Jiang's vacillation, the military had kept its pressure upon him while intensifying its war games in the Taiwan Strait. In assessing the effects of the first round of missile launches into the East China Sea near Taiwan, the General Staff Department (GDP) believed that the exercises had failed to stop Lee Teng-hui's tendency toward Taiwan independence. The GDP maintained that for a longer term effect it would be necessary to conduct additional military manoeuvres. It prepared

⁹²⁵ . Yue Shan, "Jiang's Nine-Points—the Chinese Fight Against the Chinese," (岳山, "江九条—中国人打中国人,") *Cheng Ming Monthly* (争鸣), No.216, October 1995, pp.16-18.

⁹²⁶ . " 'The Problem Is Political Will'—Jiang Zemin on Bill Clinton, Taiwan, His Leadership and Deng Xiaoping," *U.S. News & World Report*, October 23, 1995, p.72.

⁹²⁷ . Zhe Ming, "The Military Is Displeased with Jiang Zemin for Being Out of Tune," (哲明, "军方不满江泽民'走调',") *Cheng Ming Monthly* (争鸣), No.218, December 1995, pp.37-39.

an array of plans which included an orchestrated simulation of amphibious landing exercises, even a local attack on Taiwan's army and military facilities, in particular destruction of Taiwan's nuclear programme and a naval blockade of Taiwan. In a CTWLG meeting, the military's hard-line once again held a dominant position despite some debate. The CTWLG, headed by Jiang, therefore decided to continue to deter the elements of Taiwan independence with military intimidation.⁹²⁸ As the March 1996 presidential election in Taiwan drew closer, the military reinforced deployments and planned larger-scale exercises to attempt to influence the result. In the meantime, it stepped up combat readiness to fight back American armed intervention, and PLA chiefs even clamoured for a PRC-US war on Taiwan.⁹²⁹ Having been pressured by the military, Jiang had no room for manoeuvre for his moderate Taiwan policy. In order to gain the military's backing for his successor position, he had had to take a harder line on Taiwan even making bellicose remarks to the military. In a speech delivered to the departments under the party's Central Committee and the ministries under the State Council in early 1996, he said that the PRC would make use of military means to resolve the Taiwan issue if necessary. The PRC should enhance the consciousness of combat readiness and further heighten overall preparedness for military measures against Taiwan independence and foreign intervention.⁹³⁰ With endorsement by Jiang, the PLA staged new war games directed at Taiwan after March 8, including a new round of missile tests near Taiwan, a joint live bombing exercise by the PLA Navy and Air Force near the marine areas of Fujian Province and large-scale combined manoeuvres by the three armed services around Pingtan Island. As provoked tensions in an attempt to dissuade Taiwanese voters from supporting Lee Teng-hui in the presidential elections, scheduled for March 23, the Taiwan crisis escalated.

The PLA's new show of force in the Taiwan Strait led to a strong military response from the US, which sent two aircraft-carrier battle groups into the region to demonstrate American determination to stop any PRC military adventure aimed at

⁹²⁸ . Yan Hua, "The Military of Communist China Plans to Blockade Taiwan in Another Form," (岩华, "中共军方策划对台变相封锁,") *The Nineties* (九十年代), No.309, October 1995, pp.64-65.

⁹²⁹ . Yue Shan, "The PLA Chiefs Clamour for a PRC-US War," (岳山, "中共军头对美叫阵,") *Cheng Ming Monthly* (争鸣), No.221, March 1996, pp.21-22.

Taiwan.⁹³¹ The Taiwan crisis reached its height and Beijing was embarrassed by the largest US show of naval and air forces off China since the 1950s. In the aftermath of US intervention, the military put the blame on Jiang's weak leadership and poor interlinked policies toward Taiwan and the US. In a letter of unparalleled harshness to the party's Central Committee and the CMC, the Academy of Military Science accused Jiang of mistaken US policy decision-making. The Commander of the Defence University demanded Jiang's resignation for bringing damage and dishonour on the party-state. More than five hundred generals (making up about one third of the total), including two CMC chairmen, Zhang Wannian and Chi Haotian, wrote a letter to the party's Central Committee and the CMC strongly demanding a strike back against American armed intervention in the cross-strait conflict. Jiang was once again under heavy military pressure.⁹³² However, in terms of the possibility of a war, the military provoked crisis had subsided.

Despite the military's pressure for further adventures, Jiang strove to take the initiative in curbing escalation of tensions in the Taiwan Strait. The situation had to be controlled. Under the circumstances, he resumed the exercise of a moderating influence. While believing military confrontation with the US was not in the interests of the PRC, he stressed that the cross-strait impasse was not in line with the party's central leadership's strategy toward Taiwan. He concluded that the PRC military exercises had achieved two goals. They had demonstrated the PRC's position on Taiwan independence and foreign interference, showing a readiness to use force if necessary.⁹³³ Also, the military considered that its exercises had produced the desired effect, being of great significance in military, political and diplomatic and other dimensions.⁹³⁴ The view of military exercises having achieved

⁹³⁰ . "The Newest Development in Communist China's Policy toward Taiwan," (黎自京, "中共对台最新动态,") *Cheng Ming Monthly* (争鸣), No.220, February 1996, pp.20-21.

⁹³¹ . Su Shaozhi, "Communist China Should Desist from Armament and Promote Culture and Education—Reviewing the Taiwan Crisis and Taiwan's Presidential Election," (苏绍智, "中共宜偃武修文—回顾台海风波与台湾大选,") *Cheng Ming Monthly* (争鸣), No.223, May 1996, p.58.

⁹³² . Luo Bing, "More Than Five Hundred Generals Ask to Challenge the US and the Hawks Criticise Jiang for His Right Deviation—US Warships Give Rise to Internal Strife of Communist China," (黎自京, "美舰引发中共内争,") *Cheng Ming Monthly* (争鸣), No.222, April 1996, pp.6-7.

⁹³³ . Luo Bing, "Communist China's Policy toward Taiwan Will Loosen," (罗冰, "中共对台政策拟'松动',") *Cheng Ming Monthly* (争鸣), No.223, May 1996, pp.8-9.

⁹³⁴ . Li Zijiang, "Communist China Brags of the Effects of Military Exercises," (黎自京, "中共夸言演习效果,") *Cheng Ming Monthly* (争鸣), No.222, April 1996, pp.12-13.

good results was mutually acceptable to Jiang and the military, giving both of them an out. More importantly, in a bid to prevent escalation of the Taiwan crisis to an uncontrollable stage, Jiang had the backing of Deng. Since tensions erupted over Taiwan, Jiang had been seeking to gain support from Deng for his crisis management. In particular, when he was in a stalemate with his political rivals and the military, he always asked Deng to step in and help resolve the dispute. Such backing was still a tremendous asset to him, and could strengthen his hand against those trying to take advantage of his alleged weakness toward Taiwan and the US to challenge his successor position, as well as helping overrule the military's wish for greater adventurism. Although Deng was advanced in years and seriously ill, he remained powerful, ultimately deciding the most important issues. On one hand, he approved the taking of effective measures to respond relatively strongly to Lee Teng-hui's US visit. On the other hand, he was not in favour of military conflict in the Taiwan Strait, instructing that it was not to be carried too far so as to prevent further deterioration of cross-strait relations and PRC-US relations. In order to strike back at his critics in the party leadership and the military, Jiang time and again related Deng's instructions to avoid military confrontation with the US and the uncontrollable escalation of tension over Taiwan.⁹³⁵ As a result of Deng's personal intervention, militant passions were calmed and the Taiwan crisis did not escalate out of control. With Deng's support, Jiang took steps to ease tensions. The PLA ended its military manoeuvres five days ahead of schedule, failing to achieve Beijing's goal

⁹³⁵ . For more information about Deng's support of Jiang's management of the Taiwan crisis, and calming of the militant passions, see Luo Bing, "Each Sticks to His Own View on Policies toward the US and Taiwan—The Disputes among the Party, Government and Military," (罗冰, "对美对台政策各执一词—党政军大纷争,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, p.10; Luo Bing, "Deng Xiaoping Nearly Dies But Returns Alive," (罗冰, "邓小平险死还生,") *Cheng Ming Monthly* (争鸣), No.213, July 1995, pp.6-7; Luo Bing, "The Inside Information on the Test of Firing Missiles," (罗冰, "导弹试射内情,") *Cheng Ming Monthly* (争鸣), No.214, August 1995, p.7; Luo Bing, "Deng Talks About Cross-Strait and PRC-US Relations," (罗冰, "邓谈两岸和中美关系,") *The Trend Magazine* (动向), No.120, August 1995, pp.13-14; Luo Bing, "At Present Who Does Have Control of the Overall Situation in Communist China?" (罗冰, "今日中共谁主大局?") *Cheng Ming Monthly* (争鸣), No.216, October 1995, p.8; Yue Shan, "Jiang Admits That He Has Found It Hard to Deal With Taiwan Despite Vowing to Resolve the Reunification Issue in 2010," (岳山, "江承认难对付台湾—又誓言2010年解决统一问题,") *Cheng Ming Monthly* (争鸣), No.230, December 1996, pp.19-20.

of costing Lee Teng-hui Taiwan's presidential election.⁹³⁶ The Taiwan crisis had finally ended.

⁹³⁶ . Barton Gellman, "U.S. and China Nearly Came To Blows in 1996—Tension Over Taiwan Prompted Repair of Ties," *The Washington Post*, June 21, 1998; Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America*. Washington, D.C.: Brookings Institution Press, 1999, p.99.

Chapter Nine

Conclusion

9.1. External Factors and the Sources of the Taiwan Crisis

9.1-1. The Significance of the International Factors

This study has raised the question as to the causes and sources of the 1995-96 Taiwan Strait crisis, in which there were a wide range of variables. These variables can be divided into three main areas: the international factors, the Taiwan factor and the PRC factor.

Of the international factors relating to the Taiwan crisis, there were the Russian and Japanese factors and, most importantly, the US factor. The Russian factor was the least important. Russia had economic interests, but these were not vital. Militarily and politically, Taiwan and the Taiwan Strait were important in Moscow's view of the geo-political geometry of the Asia-Pacific region but not fundamental or critical to Russian interests. Russia's policy toward the Taiwan issue was based on both PRC-Russian relations and the global strategic pattern. It had basically been reflected in the pursuit of Russia's own national interests and its possible resurgence as a world great power. Support for the PRC policy towards Taiwan was principally out of concern for Russia's own domestic issues and strategic cooperation with the PRC in the international arena. However, although the PRC and Russia had a close strategic partnership, Moscow would not support Beijing in forcefully seeking to reunify Taiwan with mainland China. Its consistent position was that the Taiwan issue ought to be peacefully resolved. It was also logical that there was no willingness by Russia to intervene in a conflict between the PRC and the US over Taiwan despite explicitly supporting Beijing's sovereignty claim over the island during the crisis. Without the framework of a military alliance, the PRC-Russian strategic partnership took the form of political and diplomatic cooperation. Beijing, for its part, made attempts to exploit Russia's influence on the region to balance the respective geo-political forces, especially those relating to the US. In particular,

Beijing sought to use the PRC-Russian strategic partnership as leverage against US intervention. From Moscow's perspective, its support for Beijing's position on Taiwan would help maintain friendly relations with the PRC. This served Russia's strategic objectives in opposing America's world hegemony and balancing the Japan-US alliance. During the Taiwan crisis, Moscow diplomatically supported Beijing's stand on Taiwan but did not back the PRC military exercises to intimidate Taiwan. Thus the Russian factor was not of major influence.

The role of Japan, the potential intervening variable, was larger than that of Russia. Of all the foreign influences involved in the Taiwan issue, the Japanese factor was second only to that of the American. Japan had both immediate security interests and vital economic interests in Taiwan. It was concerned about Beijing's strategic intentions regarding the Taiwan Strait and the region. Tokyo preferred to see a divided China, with Taiwan acting as a shield against the PRC. Japan also wanted to avoid militarily confrontation with the PRC. In handling the issue of Lee Teng-hui's attempt to visit Japan, Tokyo made an effort to prevent deterioration in the relations between the PRC and Japan and avoid worsening the situation in the Taiwan Strait. When tensions arose from cross-strait relations and the PRC conducted the military exercises, Tokyo urged Beijing to exercise restraint. In addition, the Japanese government prepared to take measures to deal with the Taiwan crisis. In particular, the Defence Agency secretly mapped out a plan to meet any possible contingency. In the event of an armed conflict over Taiwan between the PRC and the US, the Japanese Self Defence Forces would provide logistical support for US military operations. However, Japan strongly avoided the possibility of being dragged into an armed conflict over Taiwan, lest Japanese commercial relations with the two sides of the Taiwan Strait be affected and its fundamental national security interests endangered. Tokyo tried to keep a balance in tackling the problem of cross-strait military confrontation. The PRC war games had an impact upon Japan's economic security in the dimensions of civil aviation, sea transport and the fishing industry, but they did not pose a direct military threat to Japan. So long as the PRC did not undertake substantial military actions, Tokyo would not respond strongly. More importantly, Japan was unable to play its part independently in determining the status of Taiwan, for its foreign policy was conducted within the framework of the

Japan-US alliance. In responding to the Taiwan crisis, therefore, Tokyo adopted a low profile. By and large, it followed Washington in a subordinate role. Therefore, Japan did not play a major role in the Taiwan crisis. At the most, it was part of the support cast for the US.

Of all the foreign influences involved in the crisis, the American factor was the principal variable. Having played an important role in the triangular relationship between Beijing, Taipei and Washington, the US had a great influence on the situation in the Taiwan Strait. The Taiwan crisis underlined the distinctive US position in cross-strait conflict and the status of Taiwan.

US policy toward Taiwan was based on 'one China' policy over Taiwan, the three adherences that they guaranteed the Taiwan issue from a resolution by other than peaceful means and the three noes that they indicated no US support for Taiwan's separation from the sovereignty of the Chinese nation.

Although Beijing blamed the US government for creating the Taiwan problem and deliberately obstructing the reunion between the Taiwan Strait, American administrations had no objection to China ultimately being reunified. Presidents Bush and Clinton in the early 1990s even expressed their favourable attitudes toward a final resolution of the issue of China's reunification. However, so long as the PRC remained a potentially hostile authoritarian state, the US would not support the Chinese mainland's reunification with the island.

The US had vital interests in Taiwan, but differentiated the immediate from the long-term. Until China could realise peaceful and democratic reunification, Taiwan was a US political and strategic ally helping to balance PRC power and potential threat. Also, Taiwan was an important American economic partner. However, the Taiwan issue was one of the most dangerous flash-points in the Cold War. Since the early 1990s, it had become one of the biggest security problems in the Asia-Pacific and an important potential threat to US national security interests. The US spared no effort to avoid becoming involved in a war with the PRC over Taiwan. However, the US was committed to help to defend Taiwan, but did not make it clear and definite that the US would directly defend the island. For its own fundamental national security interests, Washington had maintained a strategic ambiguity in terms of the question of defending Taiwan. The US had been closely linked with the long-

standing serious Taiwan problem, and it was not in the American interest that it would never be resolved.

The US insisted that, until the Taiwan question could be peacefully settled, the *status quo* of Taiwan must maintain. It was opposed to the PRC forcing reunification while checking any unilateral declaration of independence by Taipei. It did its best to avert military conflict in the Taiwan Strait. Any such conflict might put the US at risk of war with the PRC. The most important interest of the US was to ensure peace and stability in the Taiwan Strait.

The US was unwilling to meddle in the Taiwan issue despite being involved in it. Both Beijing and Taipei intended to draw Washington to their side. However, Washington considered that because the PRC-Taiwan dispute was very complex, emotional and dangerous, some mediatory efforts might be unhelpful even possibly undermining stability in the Taiwan Strait and risking American involvement in any conflict. Thereby, Washington maintained that cross-strait disputes and the issue of China's reunification should be resolved by the Chinese people themselves as the US would not act as a go-between.

This long-standing strategy of preserving the *status quo* of Taiwan and not mediating cross-strait relations proved to be the consistent American goal in preventing the Taiwan issue from developing into greater tensions. It clearly showed that Washington had no reason to incite conflict or make trouble in the Taiwan Strait.

The American global strategy was to maintain its military dominance and world leadership, but not to come into military antagonism with the PRC. Since the end of the Cold War, the US had adopted the "two major wars" approach. North Korea and Iraq were targets in US military strategy. Therefore, Washington did not make the PRC a higher priority in security considerations, despite its accelerating defence modernisation and increasing military power. Although the PRC was perceived as a potential future adversary of the US, the fundamental point of the Clinton administration's China policy was engagement rather than containment. It was formulated to view the PRC as becoming democratic and more free-market oriented through promoting peaceful evolution and the PRC-US relationship as mainly cooperative and able to manage possible friction between the two countries.

More explainable, the Clinton administration's initial stance against Lee Teng-hui's US visit manifested that it had no intention to provoke Beijing on the Taiwan issue. Indeed, Beijing had promises from the Clinton administration that it would not grant Lee a visa. Nevertheless, the US Congress passed a resolution demanding approval be given to Lee's visit. Under powerful political pressure, the American government was forced to reverse its stance. The Clinton administration's inconsistent actions on Lee's US visit resulted from Taipei's successful public relations lobbying of the US Congress rather than a substantial change in US China policy. However, this sparked an angry reaction from Beijing, which maintained that a promise is a debt. Although the Clinton administration imposed restrictions on the Lee visit, which was undertaken in a strictly private capacity with no political activities allowed, Beijing reacted with a series of war games off Taiwan. The instability of US China policy, vacillating as it did between Taiwan and the PRC, gave Taipei unrealistic fancies and provoked Beijing to anger, further complicating American-Chinese-Taiwanese relations. However, this was not so serious that it could not be resolved through diplomatic channels. Washington's ambivalent behaviour in itself was hardly a sufficient cause of conflict in the Taiwan Strait.

In any case, adopting a cautious approach in tackling the crisis, Washington tried its best to avoid military confrontation despite mounting tension over Taiwan. The PRC conducted war games from late July 1995, including the two rounds of missile tests off Taiwan, and the Clinton administration exercised restraint. While publicly calling upon Beijing to refrain from menacing military exercises against Taiwan and diplomatically urging Beijing to ease cross-strait tension, the US did not respond militarily. Indeed, the early reaction of the Clinton administration to the PRC war-games was surprisingly mild. Some scholars, such as John W. Garver, believe that this mild reaction resulted from its infirm stance and encouraged Beijing's military adventure.⁹³⁷

The Clinton administration spared no diplomatic efforts to prevent the Taiwan crisis from escalating. While striving to ease tensions between the PRC and the US, it did its best in urging Beijing and Taipei to show restraint and accept the necessity

⁹³⁷ . See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, pp.74-75, 84-85, 95, and its book review by Gregory W. Noble, *The China Journal*, No.41, January 1999, pp.228-229.

of mutual accommodation, and to resume dialogue to lessen the danger. Only when the PRC expanded its military coercion of Taiwan, carrying out larger war games and firing its third round of missile into waters off the island in March 1996, did the Clinton administration react by dispatching two aircraft-carrier battle groups to the region. In the wake of this dispatch, the Clinton administration still maintained efforts to calm tensions in the Taiwan Strait.

Although Beijing interpreted this dispatch of the two carrier battle groups as a willingness by the US to use its armed forces in a conflict over Taiwan,⁹³⁸ it was intended more as a warning to Beijing to act cautiously than as a real precursor to war.⁹³⁹ Few signs were evident that Washington deliberately provoked the crisis, despite demonstrating a determination to deter PRC military adventures against Taiwan.

Regardless of Beijing's deep suspicion of US intentions toward Taiwan, in particular American encouragement of Taiwan's independence, the US had neither territorial ambitions for the island nor involvement with those Taiwanese attempting secession from China. To be certain, having important interests involved in Taiwan and having influence upon the status of Taiwan, Washington played a major role in the crisis. However, the American actions were a passive response, not armed provocation. Thus the US was not where the Taiwan crisis originated.

9.1-2. Taiwan and the Origins of the Crisis

First and foremost, Taipei did not militarily threaten the Chinese mainland. It had reassessed the decades-old cold war view of cross-strait relations and no longer regarded Beijing as a mortal enemy. It renounced its earlier stance regarding the use of force to recover mainland China in 1991. It rejected immediate reunification

⁹³⁸ . Li Zijing, "Zhang Wannian Threatened That the PLA Could Hit and Sink US Aircraft-Carriers," (黎自京, "张万年扬言能击沉美母舰,") *Cheng Ming Monthly* (争鸣), No.222, April 1996, pp.14-15; Luo Bing, "The Inside Information on the Southeast War Zone of Communist China," (罗冰, "中共东南战区内情,") *Cheng Ming Monthly* (争鸣), No.222, April 1996, pp.10-11.

⁹³⁹ . According to David S. Chou, "U.S. intervention has defused the crisis; however, it is unlikely that Washington would send combat troops to defend Taiwan." See David S. Chou, "Cross-Strait Relations and U.S. Roles in the Taiwan Strait Crisis," *Issues & Studies*, Vol.32, No.10, October 1996, pp.1, 24.

under the Communist regime, but advocated that national unification should be achieved gradually and peacefully through a process of democratic evolution.

In exploring whether the island was the source of the Taiwan crisis, it is necessary to summarily analyse the question of Taiwan independence. It is most important because this involves the issue of Beijing's claim that its military exercises were aimed at stopping Taipei's pursuit of independence. In the mid-1990s, although it seemed that the momentum for Taiwan independence was gaining, there was no genuine possibility of the Taiwanese founding an independent sovereign state. It was unlikely, firstly, because of external restraints. Most importantly, the United States has never supported independence for the island, despite being blamed for the separation of Taiwan from the mainland. Under America's policy of objecting to the island's independence, Taiwan could not count on US military help if it provoked mainland China by declaring independence. Although Taiwan independence fundamentalists cherished hopes of realising their dream with American backing, Washington dampened any enthusiasm for independence. In the existing domestic political situation, Taiwan independence lacked legitimacy because most Taiwanese stood by the maintenance of the *status quo*. While there was the pro-independence party, the Democratic Progressive Party, pro-reunification political forces such as the Chinese New Party were still strong, and the governing party, the Kuomintang followed the national unification guidelines. Being KMT party chairman, President Lee Teng-hui was bound to carry out the party's political programme to pursue Chinese reunification. Generally speaking, the pro-independence opinion still came up against great resistance at home. Restricted by various kinds of deterrent conditions externally and domestically, the island's *de jure* independence did not, and could not get under way. There was no serious and imminent threat of a declaration of independence by Taiwan, and therefore Beijing's argument that its massive military manoeuvres were for the purpose of repressing Taiwan independence was unconvincing.⁹⁴⁰

⁹⁴⁰ . Wang Daohan, a principal advisor to Jiang on the Taiwan policy, acknowledged that Taiwan independence had not taken shape in the administration of Lee Teng-hui despite his intentions. See Luo Bing, "Communist China's Policy toward Taiwan Will Loosen," (罗冰, "中共对台政策拟'松动',") *Cheng Ming Monthly* (争鸣), No.223, May 1996, p.9.

As regards Lee's role in the Taiwan crisis and his stance on reunification or independence, there are two fundamental differences of opinion. Lee denied seeking to promote Taiwan independence while reaffirming his commitment to reuniting China through pursuing democratic national reunification. Although he appeared to be inclined to the island's *de facto* sovereignty, he in fact had no plan for founding an independent sovereign state. He repudiated his responsibility for the provocation of tension in the Straits, though mainland-island relations became much more tense after his visit to the US. Lee was alleged by Beijing to be responsible for a deterioration in cross-strait relations on the grounds that his visit to America was in order to pursue international recognition for Taiwan independence.

Regardless of these accusations, Lee did not publicly advocate independence nor militarily provoke Beijing. After his US visit incurred an unexpectedly intense reaction from Beijing, he largely took care to be less provocative. He sought to react calmly and cautiously to Beijing's verbal assaults and military threats, in particular a series of sabre-rattling moves that Beijing took to intimidate Taiwan. Although he gave orders for an increase in military readiness, these were countermeasures to respond to Beijing's threats and contingency arrangements. His restraint helped prevent the two sides of the Taiwan Strait from going further into military confrontation, reducing the risk of crisis escalation.

In summary, Lee's US visit triggered off the crisis, but it was not its major cause. Beijing's over-reaction to the visit indicated that there were other fundamental factors involved.

9.2. The PRC As the Source and the Succession Struggle As the Cause of the Taiwan Crisis

9.2-1. The Predominance of Domestic Issues in the Making of PRC Policy toward Taiwan

This study attributes the source of the Taiwan crisis to the PRC and its domestic problems. Having analysed various possible major factors likely to influence Taiwan policy-making, it confirms that the five variables: national security interests,

ideology, nationalism, economic issues and domestic political stability, were not the prime determinants.

Perspectives on national security interests are not convincing in explaining PRC Taiwan policy setting and decisions on the Taiwan crisis. Indeed, no external military threat to national security occurred. Washington neither initiated military activity nor sought to encourage Taiwan to do so. Indeed, Taipei abandoned its long-term strategy to recover the Chinese mainland by armed force. For the PRC, the security was not at stake.⁹⁴¹ The Beijing leadership acknowledged that the international and cross-strait situation had tended to *détente*, although having concerns that the growing political force of pro-independence might impinge on cross-strait relations and potentially threaten peace, stability and development in the Asia-Pacific region. Thus timing is important. In light of its realistic estimation, Beijing had not made any moves likely to worsen cross-strait relations despite being displeased at the negative responses of Lee Teng-hui's Six-Points to Jiang's Eight-Points and Taipei's more active pragmatic diplomacy. When Lee prepared and conducted his US visit, and even shortly after the visit, Beijing did not erupt in bellicose fury. It was only after internal strife, caused by the intensifying leadership succession struggle, that Beijing became belligerent towards Taiwan. In terms of national reunification, although Beijing declared that this was its sacred duty, it was not an urgent duty. Taiwan had been separated from the Chinese mainland for more than four decades. The continuation of the island's separation did not threaten the PRC's vital national interests. Although Taiwan independence was perceived by Beijing as a threat to national security, Taipei had neither the plan nor the opportunity to declare independence. In fact, Lee's US visit did not constitute a menace to the PRC territorial sovereignty and national security, despite arousing some suspicions and a strong military response from Beijing afterwards.

Ideology became insignificant in the making of Taiwan policy. It was also inconsequential in impelling Beijing to make the move towards war games in the Taiwan Strait. Similarly, a careful examination of the relationship between Chinese

⁹⁴¹ . Peter Van Ness points out: "Nathan's explanation posits that China's leaders are responding to events in Taiwan that they perceive to be threatening to PRC state security. I disagree." There is no change in US-Taiwan security relations. Thereby "Taiwan is not a significant security threat to China

nationalism and Beijing's policy toward Taiwan has demonstrated that nationalism was not particularly important in Taiwan policy-making. Beijing did not reinforce nationalistic rhetoric during the Taiwan crisis. Scholarly work about the origins of the 1995-96 Taiwan crisis has demonstrated that the rise of a new Chinese nationalism did not provide volatile new fuel for a more belligerent policy on Taiwan issues.⁹⁴²

Nevertheless, this study has also found that whilst Chinese nationalism was not the main driving force in Taiwan policy-making, it was instrumental in two aspects. It was made use of as a tool in both the propaganda and the leadership succession struggles. Beijing regarded Chinese nationalism as a means to mobilise the people's support for its tough Taiwan policy, while conducting external propaganda to make excuses for its belligerent stance on Taiwan. However, the resurrection of Chinese nationalism occurred shortly after the Taiwan crisis rather than before. The crisis was over in the last ten-day period of March 1996. In May 1996 a book entitled *The China That Can Say No*, pushed resurgent Chinese nationalism to a high point.⁹⁴³ During the crisis the US had despatched two aircraft carrier battle groups to the area near Taiwan bringing humiliation upon the PRC in its withdrawal from the military intimidation of Taiwan. This book coupled nationalistic appeals with strong emotions of Anti-Americanism. Following the book, a number of imitators such as *How China Can Say No*, *Why Does China Say No* and *China That Does Not Only Say No* were also published.⁹⁴⁴ Resultantly, nationalistic resentment reached a new peak in the second half of 1996 and thereafter.⁹⁴⁵

nor is it likely to become one in the foreseeable future." See Peter Van Ness, "Competing Hegemons," *The China Journal*, No.36, July 1996, p.126.

⁹⁴² . For example, in a case study of Beijing's Taiwan policy in the mid and late 1990s, Suisheng Zhao concludes that "nationalism has not driven China into taking irrational action against Taiwan". See Suisheng Zhao, "Chinese Nationalism and Beijing's Taiwan Policy: A China Threat?," *Issues & Studies*, Vol.36, No.1, January/February 2000, pp.76-99.

⁹⁴³ . See Song Qiang, Zhang Zangzang and Qiao Bian, *The China That Can Say No* (宋强·张藏藏·乔边, *中国可以说不*). Beijing: China Industrial and Commercial United Publishing House (中华工商联合出版社), May 1996.

⁹⁴⁴ . See Zhang Xueli, *How Can China Say No* (张学礼, *中国何以说不*). Beijing: Hualing Publishing House (华龄出版社), September 1996; Peng Qian, Yang Mingjie and Xu Deren, *Why Does China Say No* (彭谦·杨明杰·徐德任, *中国为什么说不*). Beijing: New Century Publishing House (新世纪出版社), October 1996; Jia Qingguo, *China That Does Not Only Say No* (贾庆国, *中国不仅仅说不*). Beijing: China Industrial and Commercial United Publishing House (中华工商联合出版社), November 1996.

⁹⁴⁵ . The official media encouraged nationalistic rhetoric after the Taiwan crisis. Reports and comments on these books had shown this. Publications in English such as the state-run *Beijing*

Meanwhile, the findings of this study have indicated that nationalism was more a tool of succession politics than a substantive element in decision-making on Taiwan. Various factions exploited nationalistic sensitivities to coalesce support and weaken rivals. The Taiwan issue is one of the most sensitive matters of Chinese sovereignty and territorial integrity. They utilised Chinese nationalism to advertise their own stands and attack political opponents on issues of nationalistic supremacy. In particular, Jiang Zemin's new Taiwan policy was alleged to be too soft toward Taipei and Washington, giving political ammunition to contenders for the succession. Wrapped in the banner of nationalism, they took extreme positions on the ground of defending national prestige and destiny. However, nationalism was not the basis for the general making of Taiwan policy or decision-making on the crisis, just an effective instrument in the service of the leadership succession struggle.

Economic issues were not an important part of Taiwan policy-making and decisions on the Taiwan crisis, and are accorded little weight by scholars discussing the motivations behind Beijing's war-games in the Straits.⁹⁴⁶ Taiwanese investment did not have much influence on the PRC Taiwan policy establishment. When Beijing decided to launch the war games, it did not care that it would risk scaring off Taiwanese investors and hurt the Chinese economy. Economic problems were not a central issue.

Similarly, the issue of national political stability did not affect the PRC policy toward Taiwan. Few scholars have seriously considered that the factor of diverting attention from a domestic political crisis was influential in reaching a decision to provoke the Taiwan crisis.⁹⁴⁷ For the leaders of Beijing, the handling of domestic social and political problems was less important than the problem of the leadership succession.

Review had demonstrated this kind of encouragement. See Si Cheng, "Chinese Say 'No' to the United States," *Beijing Review*, October 21-27, 1996, p.13; Li Haibo, "Books on Sino-US Relations," *Beijing Review*, May 19-25, 1997, p.4.

⁹⁴⁶ . For example, John W. Garver believes that economic issues were irrelevant because "by 1995" "the economy was growing rapidly". See John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization*. Seattle and London: University of Washington Press, 1997, and its book review by Gregory W. Noble, *The China Journal*, Issue 41, January 1999, p.228.

⁹⁴⁷ . However, Ralph N. Clough assumes that Beijing might make an attempt to deflect public attention from many domestic problems. See Ralph N. Clough, *Cooperation or Conflict in the Taiwan Strait?* Lanham: Rowman & Littlefield Publishers, 1999, p.89.

The democratisation of Taiwan was not a reason for Beijing's provocation of the Taiwan crisis. Beijing did not worry about the threat of Taiwanese democratisation because the administration of Lee Teng-hui had done little to promote political change in mainland China. Although the March 1996 presidential election in Taiwan, the first-ever direct election of state leaders in Chinese history, had an impact upon the Communist one-party dictatorship, Beijing had managed to restrict it. Indeed, Beijing lobbed missiles and conducted live-fire war games on Taiwan's doorstep to dissuade Taiwanese voters from supporting Lee. This was aimed at deterring his alleged conspiracy to realise Taiwanese independence, which had become the focus of the leadership succession struggle. It was not directed at stopping him from installing democracy in Taiwan and preventing this impacting upon the Communist regime.

To sum up the main points of this section, these five factors: national security interests, ideology, nationalism, economic issues and national political stability, although considerations to varying degrees, were not the major influences in the general construction of Taiwan policy and decision-making on the crisis. 1995 and 1996 were the crucial years of succession politics due to the unsteady leadership situation.⁹⁴⁸ The approaching death of Deng had focused the attention of the governing clique on the struggle for predominance in the succession to supreme power. While the leaders of Beijing were animated by the contention for Deng's successor position, a lack of definite leadership led to political stagnation causing considerable problems in the polity and the formulation of guiding principles and policy, especially as regards Taiwan policy.

9.2-2. The PRC Leadership Succession Crisis and the Taiwan Crisis

⁹⁴⁸ . For an analysis of the 1995-96 domestic political circumstances under the dominance of succession politics, see David Goodman, "The Domestic Political Environment," in Stuart Harris and Gary Klintworth (eds), *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region*. Melbourne: Longman Australia, 1995, pp.342-356; John Bryan Starr, "China in 1995: Mounting Problems, Waning Capacity," *Asian Survey*, Vol.XXXVI, No.1, January 1996, pp.13-24; Avery Goldstein, "China in 1996: Achievement, Assertiveness, Anxiety," *Asian Survey*, Vol.XXXVII, No.1, January 1997, pp.29-42.

The most important domestic determinant acting on the formation of PRC policy toward Taiwan and decision-making on the Taiwan crisis was the leadership/individual factor.⁹⁴⁹

An uncertain political transition caused a fierce power struggle for the succession to Deng Xiaoping. In the mid-1990s, the Taiwan issue was not emergent. However, it became the focus of struggle evoking intense emotions and high stakes among the contenders as succession contention arose. This in particular affected Taiwan policy outcome and its consistency. Under succession politics, the fate of the leaders of Beijing was at stake. Their insecurity in the ongoing succession struggle produced irrational behaviour, presenting a serious threat to security in the Taiwan Strait. In particular, this study has demonstrated Jiang Zemin's insecurity and the manner in which outward leadership stability appeared fragile. This became the most urgent factor impelling him to make the final decision to provoke the Taiwan crisis in order to defend his own successor position, despite being personally against such belligerent decision.

The legitimacy of Jiang's right of succession was under fire from the beginning because of the unusual features of his appointment and his poor political achievements, lack of seniority and unpopularity. Also, at first Deng did not favour him, leaving a hidden danger for his successor position. Thereby, he was initially viewed as a transitional figure. Two years after Jiang became Deng's successor, Deng had become displeased with him and, in particular, his incorrect political line and misadministration of the economy. Deng believed that Jiang failed to implement the required program of reform and his efforts to restore traditional Marxist ideology threatened the survival of the Communist regime. Deng's landmark tour of southern China in early 1992, especially his warning remarks over Jiang during the tour, caused a crisis that threatened Jiang's successor position. Although Jiang got over this political crisis, his status as Deng's successor remained weak and unstable.

Faced with contenders for succession, the consolidation of his right of succession was still Jiang's top priority. With a careful approach to the defence of his position, his strategic calculations for purging political opponents were successfully brought

⁹⁴⁹ . Two opposite schools have debated Beijing's motivations for war-games in the Straits. Their contrary opinions suggest that the underlying cause is either the succession struggle consequence or the institutional outcome, see Chapter 1.2-1. The Existing Views and Perspectives on the Topic.

about over several years. He dealt with the Yang family generals in 1992 as well as the Beijing faction led by Chen Xitong in 1995, thwarting their intentions to usurp his position as 'crown prince' while establishing the Shanghai faction as his power base in the central authority. By holding the state presidency in addition to the two other top posts of party chief and head of the military, Jiang concentrated all the power of party, military and state on himself, boosting his authority. It seemed that he had consolidated his succession. However, purging his rivals gave rise to resentment among other factions. The Opposition was still strong and active. There was a danger that Jiang's leadership could be challenged again. Therefore, Jiang's status as Deng's successor remained potentially unstable. In particular, he was suspected of being incapable of performing as paramount leader.

For Jiang, the next important move in consolidating his power was therefore to establish the image of an able leader in order to resolve the legitimate problems. Jiang had neither outstanding political achievements nor popularity. Unlike Mao Zedong and Deng, Jiang did not enjoy insurmountable authority over other politicians. Most unfavourably, Jiang's contribution to the party and country was the least among leaders in PRC history. Without great achievements, Jiang found it hard to convince elites and the people that he would be a legitimate and suitable supreme leader. In making efforts to gain credibility and authority to consolidate his leadership, the limited areas remaining for policy innovation left Jiang with few choices but Taiwan. The combination of desire to become an authoritative personage and aspiration to make his mark on Chinese history impelled him to pursue a major breakthrough over Taiwan.

Jiang's own wishful thinking regarding an early resolution of the Taiwan issue on his terms resulted in unexpected problems in cross-strait relations already fraught with uncertainty. Obviously, he underestimated the complexities of Taiwan issues and the arduousness of realising national reunification. He set unrealistic expectations of what he could do to resolve the reunion issue. Such an intention of making great strides toward a single reunified nation had little chance of success. A cross-strait breakthrough was unlikely to come quickly because the basis for rapprochement remained fragile. He had not precisely assessed the situation in the Taiwan Strait. Although it was at *détente*, unseen hurdles and variables still lurked

beneath the ostensibly quiet and steady surface of cross-strait relations. He was overconfident that the improvement in cross-strait relations from the late 1980s to the mid-1990s could be expected to offer an historic opportunity for himself. However, there were no conditions to reunite the island under the communist leadership at that time. His new Taiwan policy was based on the perception of accomplishing his own political achievements rather than cross-strait political reality. He placed overmuch hope on his new Taiwan policy. Although he believed his Eight-Point proposals on Taiwan were appropriate for the cross-strait situation and were flexible, they were not acceptable immediately or totally for Taipei. He was blinded by his eagerness to settle the question. More unfortunately, he was overcredulous in believing Lee Teng-hui's discourses of reuniting the island with the Chinese mainland and unrealistically deemed Lee a partner who would be able to cooperate with him in negotiating the reunification issue.⁹⁵⁰ Consequently he would have to pay a political price for his over-optimistic estimation of the cross-strait situation and over-confidence in his new Taiwan policy.

Shortly after Jiang's optimistic reunification programme was published, Lee began planning his US visit. This apparently eliminated the possibility of a quick breakthrough with the island. Because the new Taiwan policy was primarily politically motivated by a desire to reinforce his legitimacy of leadership and carve his own name in Chinese history as the Great Unifier, arising cross-strait tensions were rapidly getting personal. Jiang saw Lee's US visit as suddenly threatening his ambitions and was upset about being landed in an awkward situation. Internal pressures upon him quickly arose due to his new Taiwan policy, which was perceived as soft. In order to free himself from such a predicament, he was forced to shift his policy from moderate to tough. This raised tensions in the mainland-island and PRC-US relations, escalating into military confrontation.

An acknowledgement by Jiang threw additional light on the impossibility of fulfilling his goal of early reunification and the lessons learned at the cost of the

⁹⁵⁰ . Even You Ji, a representative of the school of institutional outcome, gives his opinion that probably Jiang oversimplified the cross-strait problems and did not precisely assess Lee. You points out: "Jiang may have been thought too innocent, unable to understand Lee thoroughly". "He may have been blamed for being an overt optimist about the deepening ties across the strait in recent years, failing to anticipate a possible U-turn." See You Ji, "Changing Leadership Consensus: The Domestic

Taiwan crisis helped to sober him. Half a year after the crisis, he admitted that he had found it hard to resolve the cross-strait problems. He had to remake a timetable to achieve Beijing's goal of reabsorbing Taiwan by 2010 to gloss over his mistakes and failure.⁹⁵¹ Three terms as party chief and nearly two terms as state president passed without a major accomplishment on Taiwan. This again convincingly demonstrated that his ambitious reunification programme was impractical. Although it seemed that he had not slackened in his efforts to make a remarkable contribution to China's reunification, this had become increasingly unlikely.

Jiang's Taiwan policies are therefore characterised by prevarication and change. Earlier, he had offered overtures of peaceful reunification to Taipei and made a new policy statement that Beijing would not militarily threaten the island appealing to Chinese on both sides of the Taiwan Strait not to fight with each other in his new year's message of 1995. Nevertheless, only half a year later, he had recanted. He was forced to make the decision that the PRC unilaterally suspend all negotiations with Taipei and he intimidated Taiwan with the cross-strait missile tests and military exercises following the visit by Lee Teng-hui to the US. His individual need for political achievements motivated Jiang's exploitation of the Taiwan issue and led to fluctuating Taiwan policies and grave consequences for cross-strait and PRC-US relations.

The fragmented political system with informal politics and the partially informally politicised architecture of Taiwan policy all contributed to the crisis. Informal politics, mainly succession politics, significantly affected the Taiwan policy consistency and its outcome. The domestic dynamics of Taiwan policy decision-making were mainly generated by informal politics. The leadership succession was entangled in Taiwan policy, giving rise to more problems in domestic politics and foreign relations and accumulating tinder for the Taiwan crisis. Under such abnormal political conditions, the Taiwan policy-making mechanism and function inevitably became defective and difficult to operate. Because of such internal constraints, it was extremely difficult to formulate rational and moderate policies to

Context of War Games," in Suisheng Zhao (ed.), *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis*. New York and London: Routledge, 1999, p.86.

respond to the events in the Taiwan Strait. Succession politics affected the top leaders in seeking to consider appropriate policies. Under such circumstances, Taiwan policy was particularly vulnerable to extremes of decision-making and associated crisis.

You Ji and Lowell Dittmer suggest that policy innovation by the successor is a risk in the succession process. However, this perspective is more focussed on the relationship between the heir apparent and the incumbent than the rivalry between the successor and the contenders for the leadership.⁹⁵² Dittmer considers that “Jiang simply avoided policy innovation during his regency, thereby avoiding the fate of Liu Shaoqi and Lin Biao”. It is true, generally speaking, that “Jiang fathered no significant new policy initiatives during his eight-year regency”.⁹⁵³ Yet, it seems that Dittmer neglects the fact that Jiang sought to advance Taiwan policy, giving political ammunition to his rivals and causing a new round of fierce succession struggle. This endangered Jiang’s successor position.

Jiang’s policy initiatives on Taiwan complicated the political situation of the succession. He appeared to have never considered the risk of initiating a major policy, despite the fact that such initiatives can be dangerous when amidst political transition. Succession politics in Communist countries is tricky and fickle as the contenders for the leadership succession always find fault with the successors’ work and policy. An initiation of major policy by a successor can provide an opportunity to provoke a policy dispute. In particular, new foreign policy propositions can easily and promptly turn into a primary domestic debating issue and serve as ammunition for rivals. Thereby the successors’ major move in initiating or revising policies can invite an attack and result in fierce power struggles. When successors try to take policy initiatives for the purpose of leadership consolidation, there is limited room for political manoeuvre. More dangerously, any policy initiatives can re-ignite the

⁹⁵¹ . Yue Shan, “Jiang Admits That He Has Found It Hard to Deal With Taiwan Despite Vowing to Resolve the Reunification Issue in 2010,” (岳山, “江承认难对付台湾—又誓言2010年解决统一问题,”) *Cheng Ming Monthly* (争鸣), No.230, December 1996, pp.19-20.

⁹⁵² . You Ji, “Jiang Zemin: In Quest of Post-Deng Supremacy,” in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki (eds), *China Review 1996*. Hong Kong: The Chinese University Press, 1996, p.3; Lowell Dittmer, “The Changing Shape of Elite Power Politics,” *The China Journal*, No.45, January 2001, pp.63-66.

⁹⁵³ . See Lowell Dittmer, “The Changing Shape of Elite Power Politics,” *The China Journal*, No.45, January 2001, p.64.

question of who is the more suitable successor. This will make the succession struggle all the more intense.

Jiang broke such a taboo, making a strategic mistake. His initiation of a new Taiwan policy stemmed from his attempts to claim credit for himself and imperilled his successor position. One of his worst miscalculations was that he appeared not to realise that his ability to launch policy initiatives was significantly constrained. In particular, it was impossible to expect that an unstable successor would be able to utilise the complicated and thorny Taiwan issue in order to gain political resources and consolidate power. The potentially explosive nature of the Taiwan Strait problem meant that it was unlikely to be manipulated for political benefit, let alone when under the considerable restrictions of succession politics. However, in questing for legitimacy, accountability and credibility for his own leadership, Jiang sparked such a powder key. He failed to carefully and seriously consider the political consequences of losing control of the cross-strait situation in such circumstances.

Indeed, frustrated in his new Taiwan policy, he had lost more than he gained. His failure in his quest for political accomplishment by way of reunification with Taiwan, left him struggling to defend his right of succession. This failure invited political infighting, leading to a more intense succession struggle. When his new Taiwan policy initiatives led to the accusation of capitulation, he had to give them up and accept tough policy proposals in order to preserve his own successor position from attack. Succession politics and its pressures distorted the Taiwan policy course, leading it in a more aggressive and disruptive direction. As a result, he was forced to make bellicose decisions, finally leading to the outbreak of the Taiwan crisis.

Battles between contending factions in the hierarchy blocked a rational Taiwan policy. Amid the leadership succession struggle, neither successor nor contenders could afford to look weak and needed to demonstrate their own political correctness. A confrontation between different factions headed by the contenders for the leadership succession obstructed the Taiwan policy process, driving the top policy-maker, Jiang into a corner. Factional rivalry impelled the succession struggle, skewing Taiwan policy-making toward more hawkish elements. Most factions exerted pressure upon Jiang with their strong demand for radical measures to deal with Taipei and Washington. They alleged Jiang had undertaken behaviour injurious

to national interests. In the charged atmosphere of succession politics, Jiang had to let various factions have a voice, as a result, tough opinions pervaded the governing clique. Facing such fragility and uncertainty, he had little recourse but to accept a more aggressive standpoint on Taiwan. This drove Taiwan policy to trend dangerously toward belligerence and resulted in an escalation of cross-strait conflict.

The activities of internal political forces and the motives of politicians within the informal structure drove Taiwan policy towards the creation of cross-strait tensions. Taiwan policy was informally politicised and succession politics had a harmful effect on its formation and objectives.

In summary, the greatest problem facing the PRC in 1995-96 was the leadership succession dominating the political situation. As a result of the succession struggle over the Taiwan policy issues, tension in the Strait was created.

9.2-3. Problems of Structure and Process and Their Impact upon PRC Policy toward Taiwan

This study has provided an overview of the structure and process of Taiwan policy-making surrounding the Taiwan crisis. The adoption of coercive means to deal with disputes in diplomacy over Lee Teng-hui's US visit, stemmed from a lack of formal institutions. Because PRC politics and policy-making were not institutionalised, the systemic defects in the architectural design of Taiwan policy-making were congenital. Thus it can be seen that the mechanism of Beijing's policy toward Taiwan partially operated under informal politics, leading to indistinct policy goals and capricious policy behaviour.

The imperfect nature of Taiwan policy-making obstructed any thoughtful, farsighted and effective cross-strait strategy. Investigations and studies have shown that the changing policies toward Taiwan basically resulted from an unstable internal system. The characteristics of the PRC political system were fragmented and authoritarian in nature. These features were also reflected in the structure of Taiwan policy-making. The various departments, mainly the Taiwan affairs offices and the military, security and foreign policy units operated in an uncoordinated fashion, even struggling for authority. They failed to work together to formulate a co-ordinated

strategy concerning Taiwan. Highly complex inter-personal relations widened the rift between the various competing departments and further hindered the Taiwan policy-making mechanism. Succession politics aggravated these structural problems. As a result, the perplexed and encumbered structure of Taiwan policy-making made confusing policy outcomes unavoidable.

The formulation of PRC policy toward Taiwan did not operate in a completely institutionalised fashion because it had both institutional and noninstitutional elements.⁹⁵⁴ The formal organisations and institutions did not function properly. On occasion, the noninstitutional elements even bypassed the institutional organs. The expression of different opinions toward, and the influence of internal political forces on, the top Taiwan policy-makers were partly due to abnormal procedures, use of informal channels and even personal relations. Some major Taiwan policy initiatives were even taken outside the institutional framework. The functions of official institutions were weakened and could not operate normally or well.

The abnormal architecture and defective mechanism of Taiwan policy provided abundant opportunities for informal political manoeuvring. In Taiwan policy-making, interpersonal relationships at the top level had an important influence and leaders' personal interests played a larger role than institutional factors. This facilitated individual leaders exploiting Taiwan policy to serve their political purposes. Also, factional contentions occupied an important place in Taiwan policy-making. Elite factionalism fuelled the succession struggle, producing a negative effect and compelling Beijing to move to a tougher stance in its standoff with Taipei and Washington in order to smooth over internal strife.

Noninstitutionalism was incarnated in the two Taiwan policy-making centres. The underlying cause for such an abnormal political state lay in Jiang's vulnerable successor position and his personal political dynamics. He had to seek support from his power base of Shanghai and set up the "Shanghai faction" in consolidating his leading position. He relied upon his trusted followers outside the official organs more than the official Taiwan policy-making bodies of Beijing.

⁹⁵⁴ . George W. Tsai, "The Making of Taiwan Policy in Mainland China: Structure and Process," *Issues & Studies*, Vol.33, No.9, September 1997, p.1.

The two Taiwan policy-making centres were the origin of Jiang's fluctuating Taiwan policies. Retired Wang Daohan played a larger role than Qian Qichen in mapping out Jiang's eight point policy toward Taiwan.⁹⁵⁵ This threw the structure into confusion and disrupted the policy procedure. The two centres competed for influence. The unofficial Shanghai centre, instigated and supported by the paramount leader, challenged the official Beijing centre. The Beijing centre was overshadowed but strove to preserve its own legitimacy and pre-eminence. Thus, each policy-making centre made its own Taiwan policy. Wang and Qian often delivered different speeches on Taiwan policy, which showed that there was a wide divergence of views prevalent among the Taiwan policy-makers and they were unable to coordinate because of structural problems. As the two centres tussled over the Taiwan issue, divisions and debate escalated into outright dispute.

The two Taiwan policy-making centres further intensified the succession struggle and had a structural impact on the architecture of Taiwan policy. Its aftermath had been seen in the 1995-96 Taiwan crisis because of the confusion in the Taiwan policy structure and the manner in which policy goals were divorced from reality. Jiang was tempted to remake Taiwan policy without a proper strategy devised by the formal organisational system and its professional officials.

The imperfect structure and partially irregular process of Taiwan policy-making provided the basis for fluctuating policies, even showing a U-turn and sudden escalation from diplomatic means to use of military force. Instability in the Taiwan policy-making framework and course was liable to transformation into an adventurist policy. The problematic structure and process of Taiwan policy-making under informal politics means that the top Taiwan policy-makers were not able to effectively address Taiwan policy questions or handle events appropriately in the Straits.

The systemic problems in managing the crisis, together with the contention for the leadership succession, served to cause and escalate the Taiwan crisis. Beijing never developed a crisis-management mechanism, despite declaring that the Taiwan issue

⁹⁵⁵ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.174-172.

involved serious matters of national security.⁹⁵⁶ The capricious countermeasures dealing with Lee Teng-hui's US visit revealed that institutional responses were subordinated. The failure to take appropriate moves to handle cross-strait problems that arose from the visit, despite 10 months of crisis, showed that Beijing was proving incapable of coming up with crisis-management measures. The Taiwan issue was a flash-point and many incidents in the relations across the Straits needed to be handled promptly. Yet the mechanism of PRC Taiwan policy decision-making and implementation could not acclimatise itself to such circumstances. Its system of information and feedback was very slow and ineffective, incapable of simultaneously coordinating inside, and rapidly responding outside. This meant Taiwan policy could not readjust swiftly towards the changing situation. Political considerations made the systemic problems in crisis management protrusive. In adopting appropriate measures in response to Lee's US visit, Jiang Zemin trusted intelligence and the advice of his own henchmen more than the government's information-gathering system and decision-making apparatus. Failure to hammer out a mechanism for crisis-management in line with the potentially explosive nature of the Taiwan Strait problem enhanced informal political factors, with considerable consequences.

Because of the lack of institutionalism in politics and policy-making, institutional and noninstitutional elements were simultaneously at work in the PRC policy toward Taiwan and the US during 1995-96. Under the circumstances, the viewpoint that the Beijing leadership reached a decision on a strategic shift in the Taiwan issue within the context of institutionalism, is not sufficient in explaining the PRC's sudden and violent actions in the Taiwan Strait. Institutional politics had not been completely established in the mid-1990s, mainly because the question of the leadership succession remained unresolved.

9.2-4. Evaluation of the Role of the Military in Taiwan Policy

Decision-Making

⁹⁵⁶ . The institutions for managing crisis were not established by the end of the last century. "In December 2000 a new National Security Leading Group was established, also chaired by Jiang, to formulate and coordinate responses related to international and regional military and strategic crises." see David Shambaugh, "The Dynamics of Elite Politics During the Jiang Era," *The China Journal*, No.45, January 2001, p.104.

This study has examined the military's role in the structure and process of Taiwan policy-making and its involvement in, and influence on, Beijing's decision-making on the Taiwan crisis. It concludes that the leadership succession problem together with the military's leverage were leading factors in the outbreak of the crisis.

The military's role in the policy-making system dealing with Taiwan was based on its political status in the PRC power structure and general framework of decision-making. The military had traditionally wielded political influence and monopolised coercive power in the state. Most importantly, the military played a decisive role in succession politics. It became a determinant force in the post-Deng succession struggle. The military's influence upon politics was also important in shaping the country's course as one of the most important and powerful decision-makers within the PRC system. Therefore the politically influential military had leverage over Taiwan policy.

Its structural advantages favoured the military having input into the Taiwan policy process. It had its own representatives in the inner sanctum of the party's hierarchy and governmental cabinet, thus having a considerable say over such issues. Thereby, the military's stance on Taiwan had an important influence on the paramount leaders' views. On occasion, however, the military trampled on the basic procedural regulations for policymaking in imposing its bellicose policy.

Under such circumstances, although Jiang was planning to offer his peaceful offensives to Taipei at the end of 1994, the military was still preparing for the use of force in settling the issue. Worse still, on January 30, 1995, the same day that Jiang offered his eight-point overture to Taiwan, the military deployed new missile forces in areas facing the island. After the publication of Jiang's proposals, the military stood in opposition to him, especially outside the official system, trying hard to revise this new Taiwan policy. These illegal moves impaired Jiang's capacity as the supreme commander and disrupted his moderate Taiwan policy. During the Taiwan crisis, important military decisions were made without being formally and fully authorised specifically by the civilian leaders. The military leaders took presumptuous actions in preparing to intimidate Taiwan, even making battle plans to attack Taiwan and its offshore islands. These actions, which risked in full-scale war,

theoretically should have been taken after decisions were made by the Politburo and its standing committee, but instead came about through a constitutionally irregular procedure.⁹⁵⁷ The military then rammed through the decisions, damaging the Taiwan policy institutions. Abnormal military involvement and crude intervention increased the noninstitutional elements of the Taiwan policy-making, leaving process even more complicated and irregular.

A struggle between the civilian administration and the military authorities for a larger say made the structure and process of Taiwan policy-making still more perplexing and disruptive. The military strongly demanded the civilian departments readjust Taiwan policy in responding to the course of events in the Straits. Although the Ministry of Foreign Affairs (MFA) and the Taiwan Affairs Office (TAO) maintained that disputes over Lee Teng-hui's US visit should be settled by means of diplomacy and politics, their voices were overridden by the powerful military. When the Taiwan crisis, together with the succession crisis, reached a critical point, Jiang himself was more politically vulnerable and was unable to protect the civilian departments from the military's attacks. This study has demonstrated that, during the Taiwan crisis, the military played a larger role than the civilian departments in making decisions. Due to the leadership succession struggle, Jiang adopted more viewpoints imposed by the military than stands advocated by the MFA and the TAO.

The military had a stake in Taiwan affairs and made exceptional efforts to influence Taiwan policy. With concerns over national reunification and the external environment, its anxiety about Taiwan's status made it assertive and aggressive in the pursuit of its strategic goals. To be sure, there were good reasons for its active involvement in Taiwan policy-making such as patriotism and preservation of national security and territorial integration. More importantly, however, the military was prompted by its own vital interests. These were embodied in three concerns: preservation of political privilege, the drive for modernisation and the need for greater budgetary resources for defence. The formation of a policy to maintain tensions with Taiwan could help the military reach its three goals.

⁹⁵⁷ . Willy Wo-Lap Lam, *The Era of Jiang Zemin*. Singapore; New York: Prentice Hall, 1999, pp.174-176.

The military powerfully and effectively influenced Taiwan policy-making. This influence stemmed from Jiang's weak and unstable leadership and his inability to rein in the PLA. Although he chaired the CMC, won a victory over the Yang family generals in the struggle for military command and made major replacements of senior officers in favour of himself, he experienced trouble in controlling the military and could not afford to risk losing its support. In this particularly fragile political transition, he went through a difficult time courting them. He had sought to embark on his moderate Taiwan policy with the backing of the military but had failed. This policy was perceived as weakness and was disapproved of by the military. In particular, the military considered that Jiang's new Taiwan policy militated against its strategic, political and economic interests. As the problem of Lee Teng-hui's US visit arose in cross-strait relations, the military exerted increasing pressure on Jiang to adopt a strong stance toward Taipei and Washington. The military's resentment made the responses to the visit especially critical for Jiang. He was forced to make a self-criticism over his handling of Taiwan matters and follow a hard-line course in future dealings. Furthermore, the military compelled Jiang to launch military operations. When Jiang took no action, the contenders for succession and the military joined forces to press him to make a decision to militarily confront Taipei and Washington. This demonstrated the fact that there was a strong anti-Jiang coalition. The military's alliance with Jiang's principal rivals threatened his successor position. He was fearful that the military might shift its support to his contenders. Under pressure, he had to accept the plan of physically intimidating Taiwan in order to gain the military's support in consolidating his successor position.

When there was strong political leadership, the military's aspirations could be contained. However, unlike Mao Zedong and Deng Xiaoping, Jiang Zemin wielded neither real military command nor absolute political power. In theory, the chair of the Central Military Commission could allow him to have control of the army. But in practice, Jiang did not wield power as supreme commander in the army. As the highest military body of the party and country, the CMC is necessary to the power base of any top PRC leader. However, whether a leader can have ultimate control of the military depends on many circumstances. Although Jiang chaired the CMC, he had no real power. This became the root of the military chiefs' pressure on him on

Taiwan issues. The case of the 1995-96 Taiwan crisis demonstrated that noninstitutional elements became predominant over institutional elements in the system of military command. In particular, with Jiang unable to contain the military's pressure due to his weak successor position, he was in incomplete control of Taiwan policy. Thus the military's role was very significant thereby increasing its leverage. Jiang's eight-point Taiwan policy and the ramifications of Lee Teng-hui's US visit were important elements in events across the Taiwan Strait during 1995-96. However, the key point was Jiang's lack of real military command and the weakness of his successor position. The case of the Taiwan crisis highlights the factor of timing. Although there is always a predisposition on the part of the military to utilise the possibility of a crisis with Taiwan, the timing is determined by events external to the PRC and the lack of ability of the internal political authorities to restrain the military.

Therefore, the PRC provocation of the Taiwan crisis can be largely attributed to the military's leverage over the leadership succession struggle. Succession politics together with military-driven politics made the Taiwan crisis inevitable.

9.3. Summary of Conclusions

To sum up, the examination of the relationship between domestic politics and Taiwan policy conditions and findings in this study shed light on the underlying causes of the 1995-96 Taiwan Strait crisis. The PRC leadership's consideration in making decisions to deal with problems in the cross-strait and PRC-US relations is more clearly internally politically motivated than strategic and diplomatic. It is quite evident that informal political factors played a large role in shaping Beijing's Taiwan policy and decision-making on events in the Taiwan Strait during 1995 and 1996 and that the PRC military exercises against Taiwan were more the consequence of the succession struggle than an institutional outcome.

The close connections and interactions between the Taiwan crisis and succession politics, and Taiwan policy and informal politics, demonstrated that the PRC politics were not fully institutionalised. Military-driven politics played a major role, but succession politics constituted the centre of Chinese informal politics. This

leadership succession problem provided the military with the opportunities to greatly influence Beijing's decision-making on events in the Taiwan Strait. The military's influence was significant largely because political control was weakened by the struggle for succession. This process was facilitated by the importance of informal politics in the PRC. In this sense, the PRC provocation of the Taiwan crisis can be largely attributed to the military's leverage in the leadership succession struggle. Although other informal political factors contributed to Beijing's Taiwan policy and decisions to launch war-games, the struggle for succession was the most important factor acting on Taiwan policy and influencing the lead-up to the Taiwan crisis. Thus, the Taiwan crisis was due to a series of internal domestic elements of which the succession crisis was the key.

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<i>The Japan Times</i>	(Japan)
<i>The New York Times</i>	(USA)
<i>The South China Morning Post</i>	(HK)
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<i>Taiwan Today News Network</i> (TTNN) (华讯每日新闻)	(ROC)
<i>United Daily News</i> (联合日报)	(ROC)
<i>United Morning Daily</i> (联合早报)	(Singapore)
<i>The Wenhui Daily</i> (文汇报)	(HK)

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Appendix

The Role of the Military in the PRC Taiwan Policymaking:

a case study of the Taiwan Strait crisis of 1995-1996

By Jianhai Bi

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The Role of the Military in the PRC Taiwan Policymaking: a case study of the Taiwan Strait crisis of 1995–1996

BI JIANHAI*

This article examines the role of the military in the structure and process of PRC policy formulation on Taiwan through a case study of the military's involvement in, and influence on, Beijing's policymaking in the Taiwan Strait crisis of 1995–1996. The military has its own vital interests in Taiwan policy, which are embodied in three aspects: preservation of the military's political privilege, military build-up for modernisation drives, and more budgetary resources for defence. This article proposes that the PRC leadership succession problem together with the military's leverage accounted for the outbreak of the crisis. Under pressure, Jiang Zemin had to accept the plan of physically intimidating Taiwan to gain the military's support in consolidating his position as Deng Xiaoping's successor.

The military's position in the PRC political system and decision-making¹

Before discussing the military's influence upon Taiwan policy-making, it is necessary to clarify its position in the PRC power structure and general framework of decision-making. The military has played a pivotal political role since 1949. Although it has lost some of its importance since 1978 with the country's strategic shift from war preparations externally to domestic economic priorities, it is still the most powerful political force in the country. The military views its main role as safeguarding the country's security, unity and stability, including coping with internal unrest that could threaten the Communist regime and its privileged position. Domestically, the chief characteristic of the PRC armed forces is the need to suppress opposition political forces within the country. Therefore, the military is much more than just an organisation of the armed forces, it is the source of power for the regime.

The military's position in the political system of the PRC is based on the complex power relationship between the Communist party and the military. Politically both party and army need each other. The army supports and safeguards

* Jianhai Bi is a Ph.D. candidate at the University of Canterbury, Christchurch, New Zealand. He received his M.A. from the Foreign Affairs College of Beijing. As a former lecturer at the Institute of International Relations of Beijing and a former associate professor at the Institute of Naval Politics of the PLA, he has researched China's politics, foreign policy and military strategy. The author is indebted to Emeritus Professor Keith Jackson for offering critiques on a previous draft of this article.

1. For different points of view on the underlying cause of the 1995–1996 Taiwan Strait crisis and the PRC leadership succession problem, see Suisheng Zhao, ed., *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995–96 Crisis* (New York and London: Routledge, 1999), pp. 4–8.

the one-party rule of the CPC whilst the party provides the army with privilege and regards it as a guardian. Without the army the party would lose control of the polity. Nominally, the CPC and its paramount leaders have control over the army through appointing and reshuffling all military officers, but to a great extent, especially at the critical moment of a power struggle inside the CPC, the top leaders of the People's Liberation Army (PLA) decide on personnel by themselves and act in their own self-interest. Therefore, whether CPC paramount leaders have control over the PLA is questionable. By far the biggest issue for the CPC paramount leaders is always the loyalty of the military to the civilian leadership.²

The military has a great influence upon PRC politics. It has the dual function of social and political service; especially it is positioned to act as a kingmaker and a key decision-maker. Whenever either internal conflict or external crises break out, the PLA comes to the fore to stabilise the political situation and, where appropriate, decide who should become the new ruler. The political survival of leaders depends on the military's support because it is always involved in any power struggle inside the party and can play a leading role in deposing a leader.

In recent years, some scholars have argued that 'the PLA officer corps since 1978 has become more "professionalized"'.³ They believe that the PLA is developing more professional-type networks and that professionalising trends are prevailing throughout the army. Nevertheless, this study argues that although military professionalism has made rapid progress in recent years, the PLA is still a highly politicised army. At least in the mid-1990s, the political role of PRC armed forces remained unchanged. The National Defence Law, legislated by the PRC parliament in the mid-1990s, formalised the army's 'dual function' of defending the nation from invaders and ensuring social and political domestic stability.⁴ Although the professionalisation of the army is now the general trend, it is acknowledged that 'there is little evidence to suggest that the PLA is withdrawing from politics'.⁵

The military continues to play an important role in the party and governmental policy-making process. In the CPC Central Committee of 1995–1996, elected by the Fourteenth Party Congress in 1992, 24.3% of the membership represented the military establishment.⁶ The military had its own two representatives in the ruling

2. According to Michael D. Swaine, the PLA status in the polity may be described as a 'state within a state'. See Michael D. Swaine, *The Role of the Chinese Military in National Security Policymaking* (Santa Monica, CA: Rand Corporation, 1996), pp. 12, 54–55. In addition, Andrew J. Nathan and Robert S. Ross believe that 'the PLA was in fact a self-contained organisation'. 'There is even some question whether Jiang, despite his formal authority, has been able to exercise full authority over senior military officers.' See Andrew J. Nathan and Robert S. Ross, *The Great Wall and the Empty Fortress: China's Search for Security* (New York and London: W. W. Norton & Company, 1997), p. 141.

3. James C. Mulvenon, *Professionalization of the Senior Chinese Officer Corps: Trends and Implications* (Santa Monica: Rand, 1997), p. 1.

4. A bill 'Law on National Defence of the PRC' was submitted to the NPC in 1996 and was adopted by the NPC in 1997. This law also stipulates the relationship between the PLA and the CPC. See Mel Gurtov and Byong-Moo Hwang, *China's Security: The New Roles of the Military* (Boulder, CO: Lynne Rienner Publisher, 1998), p. 34; James Mulvenon, ed., *China Facts & Figures: Annual Handbook*, Vol. 23, 1998 (Gulf Breeze, FL: Academic International Press, 1998), pp. 90–93.

5. See Mulvenon, *Professionalization of the Senior Chinese Officer Corps*, p. 76, and its book review by Jianhai Bi, *The China Journal*, 41, 1999, pp. 222–223.

6. Li Cheng and Lynn White, 'The army in the succession to Deng Xiaoping: familiar fealties and technocratic trends', *Asian Survey* XXXIII(8), (August 1993), p. 758.

CPC Politburo which totalled a full membership of 20.⁷ More important, in the mid-1990s, the Vice-Chairman of the Central Military Commission, General Liu Huaqing was a member of the permanent committee of the party's Political Bureau, which groups the CPC regime's most powerful leaders, and makes all important political decisions as well as formulating principles and policies. He was the only military official among the seven members of the CPC Politburo Standing Committee but had a strong voice.⁸ Traditionally, the military has taken a positive role in the formulation of domestic and foreign policies.

The military sees itself as the defender of national unity, trying to hold together China's separate islands and remote ethnic frontiers. Taiwan affairs constitute an important element in the national reunification and foreign policy areas. More important, the PRC policy towards Taiwan has a direct bearing on national defence, especially military strategy, even war and peace. The military insists that it will firmly protect the country's sovereignty and territorial integrity. The military has time and again threatened the use of force if Taiwan declared independence or in the event of a foreign invasion of the island. More seriously, an independent Taiwan or long-term division from mainland China will encourage ethnic splitting movements in the country's border regions such as the Muslims in western China. The military wants to play its role as China's central unifying structure and thus it is extremely important in seeking to understand how the PRC Taiwan policy is made.

The military leadership and institutions involved in Taiwan policy making

Before analysing the PLA major units involved in Taiwan policy making, it is necessary briefly to view the military's general organisational structure and decision-making system.⁹ At the top level, the Central Military Commission(CMC) of the Communist Party of China(CPC) is the country's supreme body in charge of the armed forces, and the highest military policy-making body. The state CMC is bracketed with the party CMC as both organisations consist of the same people. The PRC leadership has maintained dual, identical party and state military commissions since the 1980s in order to enhance the legitimacy of the CPC regime with a nominal government role in governing the army.¹⁰ Between 1995 and 1996, the then chairman of the CMC of both party and state was Jiang Zemin who was also both Communist Party chief and head of state. The CMC has overall responsibility for military affairs, thereby centralising power on major issues. Its main duty is to take decisions on defence strategy and national security. For example, it has the

7. Robert F. Ash, 'Quarterly chronicle and documentation', *The China Quarterly* No. 133, (March 1993), p. 194.

8. Compared with that there was no professional serviceman in the CPC Politburo Standing Committee of the Thirteenth Central Committee in the late-1980s, the military's representation in the ruling circle has significantly increased in the early- and mid-1990s. See You Ji, 'Missile diplomacy and PRC domestic politics', in Greg Austin, ed., *Missile Diplomacy and Taiwan's Future: Innovations in Politics and Military Power* (Canberra: Strategic and Defence Studies Centre, Research School of Pacific and Asian Studies, Australian National University, 1997), p. 43.

9. For a chart of the basic organisational structure of the PRC military, see Michael D. Swaine, *The Military & Political Succession in China: Leadership, Institutions, Beliefs* (Santa Monica, CA: Rand Corporation, 1992), p. 245. For an overview of the military's decision-making structure, see Swaine, *The Role of the Chinese Military*.

10. Gurtov and Hwang, *China's Security*, p. 14.

power to initiate the use of force despite the power of deciding on questions of war and peace nominally being exercised by the National People's Congress and its Standing Committee. Thus it has the real power to take a final decision on whether to use military means against Taiwan. However, the CMC does not supervise all military affairs. Matters such as defence planning and the army's training are assigned to the PLA three general departments to oversee.

There is a close linkage between the CMC and the Central Taiwan Work Leading Group (CTWLG). Taiwan policy is largely military in nature. Jiang Zemin's assumption of a leading position in the CTWLG originated in part from his chairmanship of the CMC. Such circumstances established a connection between defence policy and Taiwan policy, more generally providing the military plenty of room to become involved in a range of critical Taiwan policy decisions. The PLA had a representative, Lieutenant General Xiong Guangkai, deputy chief of the general staff of the army, on the CTWLG, strengthening the military's ties with the top Taiwan policy makers. At the time when Jiang was in incomplete control of Taiwan policy, the military's role in shaping the country's strategic objectives was particularly significant thereby increasing its leverage.¹¹

Four CMC vice-chairmen were professional servicemen: Admiral Liu Huaqing, General Zhang Zhen, General Zhang Wannian and General Chi Haotian.¹² Admiral Liu and General Zhang Wannian were viewed as the key defence strategy makers and known to be involved in, and influence Taiwan policy.¹³ First Vice-Chairman Liu Huaqing was also concurrently a member of the CPC Politburo Standing Committee in charge of day-to-day military affairs. He had a decisive role in discharging the CMC responsibilities. Second Vice-Chairman General Zhang Zhen had a low public profile. His military career after 1949 was served mainly as a senior official leading the defence science, technology and education organisations rather than as a commander directing operations. He was not regarded as an active participant in Taiwan policy making.¹⁴ General Zhang Wannian who had real power despite being fourth in the top military hierarchy, had served previously as chief of the PLA general staff. He was good at mapping out strategy and tactics while also being experienced as a field commander. He planned and executed the military exercises held during the Taiwan Strait crisis of 1995–1996.

General Chi Haotian served concurrently as Minister of Defence. Although visible internationally as the PRC top military leader, Chi was less powerful than General Zhang Wannian, or the two veterans, Admiral Liu Huaqing and General Zhang Zhen.¹⁵ This suggests that the Ministry of National Defence (MND) is not

11. You Ji, 'Missile diplomacy and PRC domestic politics', pp. 40–43; John W. Garver, *Face Off: China, the United States, and Taiwan's Democratization* (Seattle and London: University of Washington Press, 1997), p. 61; Swaine, *The Role of the Chinese Military*, p. 27, n. 19; p. 28, n. 20.

12. *Ibid.*, pp. 15–16.

13. Harlan W. Jencks, 'Wild speculations on the military balance in the Taiwan Straits', in James R. Lilley and Chuck Downs, eds, *Crisis in the Taiwan Strait* (FT. McNair, Washington, DC: National Defence University Press, 1997), p. 146; Tai Ming Cheung, 'Chinese military preparations against Taiwan over the next 10 years', in Lilley and Downs, eds, *Crisis in the Taiwan Strait*, pp. 61–62.

14. Swaine, *The Role of the Chinese Military*, p. 18. However, according to Tai Ming Cheung, 'Zhang Zhen is believed to oversee the formulation of strategic doctrines toward Taiwan', yet Cheung does not provide a reference to support his opinion. See Tai Ming Cheung, 'Chinese military preparations against Taiwan', p. 62.

15. On the inter-personal and working relationship between the four CMC vice-chairmen, see Swaine, *The Role of the Chinese Military*, p. 43.

an organ with real power. The MND exists in name, rather than in reality. It is set up in light of international custom performing mostly protocol and ceremonial functions such as liaising with foreign military units. The important defence decisions are made at the CMC while routine military administrative affairs are handled by three general departments of the PLA.¹⁶ Chi did not play a leading role in national security affairs or military strategy. His career was mainly served as a political commissar specialising in military political work. As a state councillor and Minister of National Defence, Chi oversaw military research and development while coordinating relations with the administrative departments. Chi was not as influential as the other three CMC vice-chairmen in the Taiwan policy process despite participating in making the major decisions to launch the military exercises intimidating Taiwan in 1995–1996.

The PLA three general departments, the General Political Department (GPD), the General Logistics Department (GLD) and the General Staff Department (GSD), represent a second tier of the military leadership.¹⁷ The GPD is a general branch of the CPC in the PLA. It is responsible for overseeing political education, discipline and the supervision of officers and soldiers. The GLD is in charge of defence finance, military supplies and PLA-related construction and properties. The GSD is the highest organ in charge of PLA military matters including the direction of troop movements and operations. It plays a key role in the policy-making process, particularly war readiness and mobilisation. Among the three general departments, the GSD plays a larger role than the GPD or the GLD in influencing the formulation of defence strategy and Taiwan policy.¹⁸ The heads of the GPD, the GLD and the GSD are all members of the CMC. Although the directors of the three general departments do not participate in all critical decision-making, their advice would be taken into account. Usually they had a strong voice. Of the directors and deputy-directors of the three general departments, the chief of the general staff and deputy chiefs have a predominant role in national security affairs and Taiwan policy making.

This study proposes that the GSD and its chief and deputy chiefs are more influential than the GPD and the GLD and their directors and deputy-directors in the military's standpoint on national security affairs and Taiwan policy.¹⁹ This

16. *Ibid.*, pp. 34–36; p. 44, n. 16.

17. The PLA had three general departments between 1995 and 1996, but it has four general departments now. In 1998 the PRC government announced that it had added a fourth department to the army. The General Equipment Department (GED) is a new department to oversee the PLA weaponry, equipment, and armaments acquisition in particular. See Edward Chen, 'Mainland China deploying over 400 missiles opposite Taiwan: report', *CNA*, (8 August 2000).

18. Michael D. Swaine believes that 'of the three general departments and other executive agencies of the military affairs system, the GSD has by far the greatest input into the national security and defense policy process'. See Swaine, *The Role of the Chinese Military*, pp. 46–47.

19. According to Michael D. Swaine, the GPD and GLD 'reportedly do not play a major formative role in the defense policy process'. Chief of the General Staff, Fu Quanyou played a role in advising on the national security policy. See *Ibid.*, pp. 50–52, p. 16. On policy toward Taiwan, it is basically the same situation but slightly different. George W. Tsai believes that the GLD does not play a major role in the Taiwan policy process. He puts the roles of both the GSD and the GPD in influencing Taiwan policy on an equal footing, but recognises that Xiong 'is an important transmitter of the military's stands on Taiwan affairs' and is in a position that can have an effect on Jiang Zemin's view on Taiwan policy. See George W. Tsai, 'The making of Taiwan policy in mainland China: structure and process', *Issues & Studies* 33(9), (September 1997), pp. 16, 24.

argument is based on the following three points. Firstly, the GSD is a key unit concerning Taiwan, which is in charge of military strategy on Taiwan including collection of Taiwan information and mapping-out of the battle plan against Taiwan. Secondly, Lieutenant General Xiong Guangkai, deputy chief of the general staff, was the PLA representative on the Central Taiwan Work Leading Group. Thirdly, Xiong was in charge of foreign affairs and information for the whole army, and was responsible for coordinating all strategic intelligence materials in the field of military intelligence, in particular, Taiwan-related military affairs.

Below the level of the three general departments, there are seven major military regions, mainly made up of ground forces. Other services and arms are the Air Force, Navy and the strategic nuclear force, the Second Artillery Corps. In addition, there are non-combatant units such as: the Commission of Science, Technology and Industry for National Defence, the Academy of Military Science and the Defence University. Among them, the Defence University is more active in Taiwan policy but does not have a substantive influence. Of the seven major military regions, the Nanjing Military Region, which oversees the Taiwan area, is responsible for preparing possible military action against Taiwan. The Second Artillery Corps is involved in the Taiwan policy process but is less influential. This notwithstanding, motivated by its own vital interests, it has tried to influence Taiwan policy. It demanded formally a change of name into the PLA Strategic Rocket Force in order to promote its position from an arm to a service. It believed that cross-Straits tensions could demonstrate its important position. It prepared a lightning war to attack Taiwan and proposed this battle plan to Jiang Zemin during the Taiwan Strait crisis of 1995–1996.²⁰ The Air Force lobbied for sophisticated aircraft to deal with the Taiwan contingency. However, among all the services and arms, the navy has seen the most active involvement in Taiwan policy making because it relates closely to its strategic ambitions.²¹

The PLA Navy (PLAN) had played an increasing role in Taiwan policy making following the early 1990s when conditions were favourable for its lobbying on Taiwan policy. The PLAN's commanders, who had been far away from the decision-making centre in the previous 40 years, now had powerful representatives in the party-state and military. The former Commander of the Navy, Liu Huaqing became a member of the Standing Committee of the CPC Politburo and first CMC vice-chairman in 1992.²² Liu was credited with expanding the PRC naval ambitions, and made important contributions to the PLAN's reconstruction and modernisation while stressing its important role in resolving the Taiwan issue.²³

20. Luo Bing, 'The military hawk grows more powerful and Jiang Zemin is forced to make self-criticism—Communist China reviews its interlinked strategies toward America and Taiwan', *The Trend Magazine (Dongxiang)* No. 118, (June 1995), p. 8; Qu Tao, 'Can an attack with missiles on Taiwan become effective within three minutes?', *Cheng Ming Monthly* No. 219, (January 1996), pp. 21–22.

21. Swaine, *The Role of the Chinese Military*, pp. 47–48; Bates Gill and Kim Taeho, *China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons'* (Oxford and New York: Oxford University Press, 1995), pp. 60–61.

22. 'New party leadership line-up', *Beijing Review*, (2–8 November 1992), p. 12.

23. You Ji and You Xu, 'In search of blue water power: the PLA navy's maritime strategy in the 1990s', *Pacific Review* 4(2), (1991), pp. 139–140; Gill and Taeho, *China's Arms Acquisitions from Abroad*, pp. 60–61, 108. In addition, with Liu Huaqing's influence and efforts, the navy was one of the best funded of PLA services in the early

The former PLAN Vice-Commander and Naval Airforce Commander, Vice-Admiral Li Jing, promoted to Vice-Chief of the General Staff in the early 1990s, was regarded as the navy's chief representative at the level of the PLA three general departments.²⁴ Li played a key role in lobbying the civilian and military leadership to decide to import warships and submarines from Russia, and at a time to plan to purchase a Russian-made aircraft carrier to cope with the Taiwanese and the American Navies.²⁵ The promotion of PLAN's elite into the paramount political strata and the top military leadership set up the navy's input into Taiwan policymaking.

Apart from accelerating naval modernisation, the PLAN lobbied on Taiwan policy for two main objectives. Strategically, a strong Beijing stance would help promote the PRC national security priority shift from land-dominated military strategy to maritime defence. Politically, an important role in resolving the Taiwan issue would mean the PLAN's higher status in the armed forces and higher prestige in the country. Specifically, the PLAN hoped to gain a greater share of the military budget and more advanced warships, including the aircraft carrier through its vigorous lobbying activities. The PLAN viewed resolution of the Taiwan issue in its form of reunification of the country as its primary combat mission followed by defence of the sea territory and protection of China's maritime interests.²⁶ The prominence of the Taiwan issue pushed the PLAN forward a stage and provided a golden opportunity for it to lobby the PRC paramount strata. The PLAN was a particular actor in provoking the crisis of 1995–1996 when Beijing made the decision to militarily intimidate Taiwan. For example, as principal commanders, Vice-Admiral Li Jing, deputy chief of the general staff of the PLA, and Rear Admiral He Pengfei, PLAN vice-commander, conducted a manoeuvre called '95-Independent No.8', one of the most important military exercises in intimidating Taiwan. The manoeuvre with live ammunition involved the three armed services, mainly the naval air force, naval coastal artillery, naval missile unit and the East Sea Fleet.²⁷ The PLAN's lobbying resulted in attracting more attention from the highest leadership. During the Taiwan Strait crisis of 1995–1996, Jiang Zemin made an inspection tour of the PLAN's units and viewed a naval exercise directed at Taiwan.²⁸ The PLAN's profile had risen. It canvassed for its own aggressive views on Taiwan policy and strove to get them adopted. Basically, the policy was a naval blockade of Taiwan. A blockade of Taiwan would display the PLAN's

Footnote 23 continued

1990s. See Willy Wo-Lap Lam, *China after Deng Xiaoping: The Power Structure in Beijing since Tiananmen* (Singapore: John Wiley & Sons, 1995), pp. 196–197, 200.

24. The Editorial Board of Who's Who in China, *Who's Who in China Current Leaders* (Beijing: Foreign Languages Press, 1994), p. 300.

25. As the former navy commander and naval air force commander, both Liu and Li took a personal interest in acquiring an aircraft carrier. See Gill and Taeho, *China's Arms Acquisitions from Abroad*, p. 108.

26. *Ibid.*, pp. 60–61.

27. Li Zijiang, 'An actual account on the exercises of blockading Taiwan', *Cheng Ming Monthly* No. 215, (September 1995), pp. 12–13.

28. During his inspection, Jiang emphasised that it was very important to improve the naval force and quicken the pace to realise its modernisation to ensure coastal defence and resolve the Taiwan issue. Jiang praised the PLAN's military build-up achievements. Encouraged by his remarks, the PLAN vowed to strive for better performance of its military role in the country and contribute to the national reunification. See Huang Caihong, 'Witnessing the PLAN's naval exercise on the sea', *Outlook Weekly*, (6 November 1995), pp. 6–7.

naval power and increase its leverage while avoiding its weak point that it was incapable of launching and sustaining an amphibious assault. Both the air force and the ground force would only play a supporting role. The military held a number of exercises blockading Taiwan in the PLA war games during the crisis of 1995–1996. This demonstrated, by and large, that the PLAN's strategy of blockading Taiwan had been approved by the military high command.²⁹ In the meantime, the PLAN's plan of blockading Taiwan was taken into account by the PRC leaders in search of a coercive solution of the Taiwan issue.³⁰

The military has its own information units and research institutes dealing with Taiwan.³¹ The military intelligence apparatuses play a leading role. The two most important are the Military Intelligence Branch of the GSD and the Liaison Department of the GPD. The Military Intelligence Branch, which is also called the Second Department (the Er Bu) is in charge of foreign military intelligence. The collection of Taiwan military intelligence is one of its major missions including clandestine special agents sent to Taiwan. The First Bureau under the Second Department is responsible for gathering information on Taiwan. It focuses on spying on intelligence about the Taiwan army such as armaments, operational preparations and battle plans while collecting information about politics and society relating to the military. When the Second Department engages in public activities and exchanges with foreign military and academic institutions, as well as Taiwanese research bodies and visiting scholars, it is in its capacity as the China Institute for International Strategic Studies.³²

The Liaison Department (Lianluo Bu) of the GPD was formerly called the enemy affairs unit. Now publicly known as the China Association for International Friendly Contacts, its main duty is to stir up insurrection within enemy armies or an imaginary enemy army with psychological warfare. It is also responsible for gathering political, economic, social and relevant military intelligence regarding Taiwan. However, it is principally tasked with instigating attempts at rebellions within the Taiwanese military. It conducts ideological and political work, political

29. See Li Zijing, 'An actual account on the exercises of blockading Taiwan', pp. 12–13; Luo Bing, 'The ground force and airforce under the command of three major military regions moved into Fujian and Jiangxi', *Cheng Ming Monthly* No. 221, (March 1996), pp. 6–7. At a meeting entitled 'the Report on Strategic Principle regarding Taiwan' convened by the Ministry of National Defence and the General Staff Department attended by most top military leaders, one of the main views was that advocating a blockade of Taiwan. See Yi Fan, 'Communist China prepares public opinion for forcible invasion of Taiwan', *Cheng Ming Monthly* No. 208, (February 1995), pp. 25–26. In addition, CMC Vice-Chairman Zhang Wannian bragged that the PLA was capable of blockading the Taiwan Strait within 24 hours. See Yi Fan, 'The top military leaders brag that the PLA will need less than two days to mount a successful invasion of Taiwan', *Cheng Ming Monthly* No. 218, (December 1995), pp. 29–30.

30. The PRC leaders have delivered many speeches about a naval blockade of Taiwan while threatening the use of force. See Martin Lasater, *Beijing's Blockade Threat to Taiwan* (Washington, DC: Heritage Foundation, 1985), p. 1; John K.T. Chao, 'Legal aspects of a Pacific blockade of Taiwan', in Jayant Lele and Kwast Ofori-Yebash, eds, *Unravelling the Asian Miracle: Explorations in Development Strategies, Geopolitics and Regionalism* (Aldershot and Brookfield, USA: Dartmouth, 1996), pp. 153–154; David Shambaugh, 'The insecurity of security: the PLA's evolving doctrine and threat perceptions toward 2000', *Journal of Northeast Asian Studies* XIII(1), (Spring 1994), pp. 13–14.

31. For an examination of the PRC military's strategic research, analysis, and intelligence institutions in the national security affairs including Taiwan affairs, see Swaine, *The Role of the Chinese Military*, pp. 57–71.

32. Dan Bo, 'Communist China's intelligence, external affairs research organs', *Cheng Ming Monthly* No. 227, (September 1996), p. 30; Tsai, 'The making of Taiwan policy in mainland China', p. 24.

offensives and wars of nerves against the Taiwan army, attempting to disintegrate it by dampening servicemen's morale.³³

The duties of the Second Department and the Liaison Department are to research the military strategy regarding Taiwan and prepare studies on questions that the top military leaders want addressed. In addition, the two departments provide another channel of information for the paramount leaders which is different from the Ministry of Foreign Affairs, the Foreign Affairs Office, the Taiwan Affairs Office and the Ministry of National Security. Sometimes these two military departments prepare information for reference to the Politburo of the CPC. They report new developments in Taiwan affairs to the central decision-makers and advise on moves to get the military opinion input into the inner Taiwan policy process.³⁴

In the mid-1990s, both the Second Department and the Liaison Department were directed by Lieutenant General Xiong Guangkai. Although the Liaison Department belonged to the GPD system, it was put under Xiong's command. Xiong was in charge of foreign affairs and information for the whole army and was responsible for coordinating all strategic intelligence materials in the field of military intelligence. Of all military officers below the CMC level who are involved in the formulation of Taiwan policy, Xiong was one of the most politically influential generals.³⁵ Xiong sat as a military representative on the powerful CTWLG that sets policy toward Taiwan. Apart from the military strategy, he was seen as rather actively involved in a number of other aspects of Taiwan concerns. While frequently travelling abroad, he had substantial contact with important visitors from major powers as well as Taiwan. He had firsthand material on Taiwan and reported directly to Jiang Zeming, boasting considerable political influence with his militarily aggressive views. From time to time he also published tough opinions on Taiwan policy as the military's representative. He showed himself to be a strident critic of US policy toward Taiwan while advocating a strong PRC stance toward the United States. For example, he was best known for his threat that the PLA could strike Los Angeles with nuclear weapons if the United States intervened in the conflict during the Taiwan Strait crisis of 1995–1996.³⁶ Xiong representing the PLA had a key voice in setting Taiwan policy.

PLA veterans are an important force in influencing the Taiwan policy process. Although retired, veterans who held senior posts in the PLA remain privileged and influential with a strong conservative and negative voice. They continue to be involved in the party-state politics and policy decision making including foreign policy.³⁷ They express their views on national security affairs and defence policy

33. Dan Bo, 'Communist China's intelligence', p. 30; Tsai, 'The making of Taiwan policy in mainland China', p. 16.

34. Dan Bo, 'Communist China's intelligence', p. 30; Tsai, 'The making of Taiwan policy in mainland China', p. 16, p. 24.

35. For Xiong's position in the party-state leading circles and the military authorities and his role in Taiwan policy making, see Swaine, *The Role of the Chinese Military*, p. 32; Dan Bo, 'Reasons why replaced national security minister', *The Trend Magazine* No. 152, (April 1998), pp. 40–42; Tsai, 'The making of Taiwan policy in mainland China', p. 24.

36. James Mann, *About Face: A History of America's Curious Relations with China, from Nixon to Clinton* (New York: Alfred A. Knopf, 1999), pp. 334, 342.

37. John W. Garver, 'The PLA as an interest group in Chinese foreign policy', in C. Dennison Lane, Mark Weisenbloom and Dimon Liu, eds, *Chinese Military Modernization* (New York: Kegan Paul International, 1996), pp. 254–255.

through writing letters and sending petitions in joint names. Taiwan was one of the major issues that concerned them and they were influential with the top Taiwan policy makers. They questioned the civilian leadership's rapprochement with the United States while American support for Taiwan continued and demanded a tough PRC stance. In the early 1990s, Deng Xiaoping could resolve their differences and dissatisfactions within the policy apparatus. However, by the mid-1990s when Deng's successors as party-state leaders took charge, in particular, Jiang Zemin, they found it hard to resist pressure from these retired PLA elders. As a result, the PLA veterans' interference in the Taiwan policy process strengthened the military's influence on the paramount makers on decisions concerning Taiwan. However, this put the civilian leaders in a dilemma and made it more difficult, especially for Jiang, to formulate a rational and practical Taiwan policy.³⁸

The military's interests in Taiwan policy making

With its special capacity, the military plays an important role in Taiwan policy-making. At times it may even play a decisive role. Apart from acting in defence of the nation's unity the military has its own vital interests in Taiwan policy embodied in three aspects: preservation of the military's political privilege; military build-up for modernisation drives; and more budgetary resources for defence.³⁹ Only through an active involvement in the Taiwan policy-making process can the military reach these three major objectives. It is known to favour aggressive stands which derive from its particular interests and it benefits most from tension with Taiwan.

Firstly, the military strives to regain power and through participation in Taiwan policy-making to resurrect its social stature and maintain its privileged position. The military achieved almost legendary status from the 1950s to the 1970s but has faced tough times since the 1980s. During the 1960s and 1970s, especially the period of the Great Proletarian Cultural Revolution, the military dominated the country through maintaining social order and political stability. After the return of civilian rule, it lost its power. The developing market-oriented economy and the opening to the outside world have had a strong impact on the military's privileged position. Economic reform from the planned economy to a market economy began in the 1980s and did not require a military social-control function.

Faced with the country's dramatic transformation, the military reluctantly agreed to participate in economic reform but refused to join political reform. Its position in the country was diminished. In previous decades, servicemen enjoyed living standards superior to people in other occupations, but beginning in the 1980s, the stature of the servicemen's profession depreciated. The military's lower social station was demonstrated by the fact that officers and soldiers suffered from pitiful salary scales.⁴⁰ The military socio-political status declined, it lost much of its importance in the state and no longer enjoyed pride of place in society. In order to

38. Swaine, *The Role of the Chinese Military*, pp. 12, 33–35.

39. Tsai, 'The making of Taiwan policy in mainland China', p. 17.

40. Arthur S. Ding, 'China's defence finance: content, process and administration', *The China Quarterly* No. 146, (June 1996), p. 442.

reverse the unfavourable situation, the military had to find and prove an externally realistic danger to the country to underline the urgency of enhancing its power. Taiwan was a ready-made ideal policy area that demonstrated the essentiality of the military. Tension in the Taiwan Strait automatically helps to increase the military's importance and prestige.

Large-scale military cuts were in line with a change of status in the army. In 1985, the PRC government announced that the armed forces would be cut by one million.⁴¹ From 1985 to 1990, the PLA manpower was reduced from 4.4238 million to 3.199 million.⁴² The major military regions were pared from 11 to seven. The PLA officer corps was reduced and its future size curbed. Many military officers, especially generals, lost their promotion prospects.

Although the military voiced concerns that it could not disarm any more and stressed the importance of stepping up defence modernisation on the grounds of dealing with external invasion, it found it hard to convince the civilian leaders that the security of the PRC was threatened. The PRC leadership judged that another world war was unlikely to break out in the next several decades and peace and development had become the main trend all over the world. The civilian leaders were planning a new round of troop cuts for the army in the face of stiff resistance from the military in the early 1990s. The total PLA staff establishment was expected to be cut from 3.2 million to 2.7 million. The proposed move was politically risky for the civilian leaders. The generals fought the reductions in a lobbying campaign bitterly opposing more layoffs.

The military believed that underlining the Taiwan issue could be an excellent reason to stop further disarmament. What is more, this would provide an opportunity for the military's resurgence. Thus the military managed to stress that there was a possibility of armed conflict over the Taiwan issue, in particular, with Taiwan's guardian, the United States. The active diplomatic drive by Taipei to seek to become an independent state internationally, in particular, the Taiwan president's US visit and Washington's permission for his trip, gave the military an argument to alert the paramount leaders to the danger of permanent national division heightening tension in the Taiwan Strait. Although the civilian leaders believed that the international environment was still peaceful and favourable and this would help promote peaceful reunification with Taiwan, they had to yield to the army's powerful pressure because the military had an important leverage over its political destiny during the period of leadership succession. The disarmament plan of cutting a further half-million troops prepared in 1995 was postponed until the Taiwan Strait crisis of 1995–1996 ended a year and half later.⁴³

41. 'China decides to cut its army', *Beijing Review*, (17 June 1985), p. 6.

42. Zhao Yining, 'China will cut 500,000 troops from its armed forces', *Outlook Weekly*, (17 November 1997), p. 8.

43. You Ji, 'The PLA's military modernisation in the 1990s', in Stuart Harris and Gary Klintworth, eds. *China as a Great Power: Myths, Realities and Challenges in the Asia-Pacific Region* (Melbourne: Longman Australia, 1995), p. 238; Bear Lee, 'Defense ministry comment on reports of Beijing's mil. dismantling', *CNA*, (9 December 1997); Jiang Zemin announced that China would demobilise 500,000 military personnel in the next three years at the 15th Party Congress in 1997. See Jiang Zemin, 'Hold high the great banner of Deng Xiaoping theory for an all-round advancement of the cause of building socialism with Chinese characteristics into the 21st century—report delivered at the 15th National Congress of the Communist Party of China on September 12, 1997', *Beijing Review*, (6–12 October 1997), p. 28.

One of the reasons that the military intended to spark Taiwan as a flashpoint was to restore the Fuzhou military region. The big reduction of one million personnel between the mid-1980s and the early-1990s eliminated a large number of higher-ranking positions at the regional-level.⁴⁴ The generals faced increasingly tough competition with each other for positions as commanding officer at the regional-level. A way out for more opportunities was to be found in the restoration of the abolished major military regions. The generals knew that it would be impossible to re-establish all of them, but placed their hope on recovering the Fuzhou military region. Of the four major military regions abolished, only the former Fuzhou military region directed at Taiwan would stand a chance of restoration.⁴⁵ The generals sounded the alarm on Taiwan to provide impetus for the re-establishment of the Fuzhou military region.⁴⁶ When the Taiwan Strait crisis of 1995–1996 broke out, a compromise was reached between the generals and the civilian leaders. The Nanjing War Region (NWR) was established instead of restoration of the Fuzhou military region. However, the NWR was a provisional unit outside the formal system of military organisation.⁴⁷ Since the mid-1990s, the tense situation in the Taiwan Strait between 1995 and 1996 in particular, the civilian leadership has been under strong pressure from the generals to restore the Fuzhou military region.⁴⁸

Defence modernisation and the military's involvement in Taiwan policy

A strong desire for defence modernisation impels the military to keenly involve itself in Taiwan policy. Taiwan is the main focus of the PLA modernisation efforts. A powerful modern army has been the military's dream for a long time.⁴⁹ Although it claimed to be the largest standing army in the world, until the mid-1990s, the PRC combat forces were considered to be backward in both weapons and military doctrine. From the late-1940s to the mid-1990s, the PLA weaponry had evolved from old-fashioned equipment to relatively sophisticated warships, fighter planes, nuclear-tipped ballistic missiles including a few Russian-made advanced conventional weapons. This notwithstanding, generally speaking, the PLA was still equipped like a fighting force from the 1950s. A lot of elements of the military were outdated, even equipped with US and Japanese equipment captured during

44. Since the disarmament of cutting one million personnel and the PLA professionalising trends, a series of measures of regularising the army, such as a strictly formal organisational system, mandatory retirement and gradualised promotion, have been introduced. Thereby the commander posts of major military regions were mandatorily limited. See Mulvenon, *Professionalization of the Senior Chinese Officer Corps*.

45. When the major military regions were reorganised into seven, the Fuzhou military region was cut off and its defence area was merged into two neighbouring military regions, mainly the Nanjing military region. After merging, the Nanjing Military Region oversees the Taiwan area.

46. Garver, 'The PLA as an interest group in Chinese foreign policy', p. 261.

47. Jencks, 'Wild speculations on the military balance in the Taiwan Straits', pp. 145–146.

48. 'Communist China plans to re-establish the Fuzhou Military Region', *Cheng Ming Monthly* No. 264, (October 1999), p. 23; Guan Qingning and Wang Jianmin, 'To outward seeming the tension eases but a crisis is latent in the Taiwan Strait', *The International Chinese Weekly*, (29 August 1999).

49. For an overview of the PRC military modernisation, see Larry M. Wortzel, ed., *China's Military Modernization: International Implications* (New York: Greenwood Press, 1988); Dennison Lane *et al.*, eds, *Chinese Military Modernization*.

World War II. Thus the combat forces remained backward in weaponry and equipment, in particular, the PLA had not acquired and assimilated advanced technology. It was in need of new types of weapons and sophisticated technology, smart weapons and new high technology military armaments in particular.

Nevertheless, the top priority had been given to national economic development since 1978 despite defence modernisation being one of the Four Modernisations' programme (the other three objectives are modernisation of industry, agriculture, and science and technology). If military modernisation was to be taken as a focal point of the country's work, it would undertake a huge spending programme over many years and require a major diversion of resources from the civilian economy, but many Chinese would oppose such a shift. In order to consolidate the Communist regime's legitimacy the PRC leadership had to scale down its agenda for military modernisation to focus on the pressing economic issues.

The 1991 Persian Gulf War, which became a favoured theme of the elite officers, provided the PRC military with an argument to speed up defence modernisation.⁵⁰ Comparatively, the Gulf War demonstrated Western modernised military power and revealed the PRC military backwardness. This promoted the PRC military aim for a leaner but technologically more advanced establishment of national defence. However, there was no danger of war for the PRC. Although it fought with India in the early 1960s and with Vietnam in the late 1970s and the early 1980s, Beijing was negotiating with New Delhi and Hanoi on border issues. Indeed, there were disputes for territorial claims between the PRC and Southeast Asian countries over the Spratly Islands in the South China Sea and between the PRC and Japan over the Diaoyutai (Senkakus in Japanese) Islands. However, Beijing has displayed its consistent stance to shelve disputes or settle them in a peaceful and rational manner despite enforcing its claims. The PRC basic foreign policy since 1978 has been to seek a stable world order to pursue its primary goal of economic development. The military therefore needed more convincing grounds to place military modernisation on the agenda of the PRC leadership.

The most reasonable grounds for renewing military modernisation are to prove the primary importance of safeguarding national security and unification. The Taiwan issue could be premised upon developing the capability to win local wars under high-tech conditions. The military modernisation drive would advance the PLA ability to achieve objectives of national security and unification, in particular, the forceful integration of Taiwan into the mainland while deterring supposed interference by the American army on Taiwan.⁵¹ The military could take advantage of the Taiwan issue to justify a powerful national defence and military strength as solid backing for national security and reunification. A war game in the Taiwan Strait would have a strong sense of crisis and help prepare the PLA for hi-tech conflict. An improvement of the PRC military capabilities would enable Beijing to improve its ability to fight wars on Taiwan while bargaining with Washington on the Taiwan issue and force Taiwan to reunify with the mainland. For this purpose, the PRC needed credible means of threatening the use of force against Taiwan. The

50. You Ji, 'The PLA's military modernisation in the 1990s', pp. 234, 237.

51. *Ibid.*, pp. 235-236.

civilian leaders had continuously been urged by the military to push the modernisation of the armed forces to a new stage and enhance their combat readiness and defence capability using high technology.

The priorities of PLA modernisation had been given to the navy, the air force and the strategic rocket force aimed at invading Taiwan.⁵² The PLA naval modernisation would be raised to a new level.⁵³ The naval force was one of the weakest areas of the PRC armed forces. In the mid-1990s, the PLA Navy (PLAN) was the third largest navy in the world, with 260,000 men, equipped with 50 principal surface combatants and 52 submarines. It had reached a considerable level of expertise in naval operations with a growing fleet of missile-equipped destroyers and nuclear-powered submarines. However, the PLAN was still a shrinking and outdated navy because many warships were obsolete. Because it had no battleships and cruisers, its main fighting platform was 15 older Luda class destroyers and two modified Luda. Although they had been re-equipped and upgraded, most of them were constructed in the 1970s and the early 1980s, and were largely considered obsolete by Western standards. Thirty-two frigates constituted another part of its naval main force but 26 were older generation Jianghu class frigates. The PLAN had a large fleet of submarines including nuclear-powered submarines and a nuclear-fuelled ballistic-missile submarine.⁵⁴ However, by and large, the older conventional submarines were powered by diesel engines. The PLAN's marine corps was small and weak. It only had a brigade with 5,000 men, equipped with light landing craft and weapons.⁵⁵ The PLA Naval Air Force was considered outdated.⁵⁶ Its 855 fighter planes and 68 armed helicopters were mainly shore-based.⁵⁷ Although new type guided-missile destroyers were equipped with antisubmarine helicopters, most of its combat aircraft were based on land. In a strict sense, it was a part of the air force rather than a naval air force.

The PLAN was able to take advantage of the Taiwan issue to accelerate its modernisation while improving its fighting capability.⁵⁸ The PRC leadership has quickened the pace of resolving the Taiwan issue since the 1980s. Beijing has repeatedly warned Taiwan that it could use force against the island if Taipei attempted to declare independence. The naval command took the opportunity to speed modernisation, in particular, acquisition of an aircraft carrier. In 1995, the PLA was the world's biggest army with 2.93 million soldiers while Taiwan had

52. *Ibid.*, p. 237; Avery Goldstein, 'Great expectations: interpreting China's arrival', *International Security* 22(3), (Winter 1997/98), p. 52.

53. For an extended analysis of the PLAN's modernisation, see You Ji, 'A blue water navy: does it matter?', in David S.G. Goodman and Gerald Segal, eds, *China Rising* (London and New York: Routledge, 1997), pp. 71–89; You Ji, 'The PLA's military modernisation in the 1990s', pp. 247–249. Also see Greg Austin, *China's Ocean Frontier: International Law, Military and National Development* (St. Leonards, NSW, Australia: Allen & Unwin in association with the Department of International Relations and the Northeast Asia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra, ACT, 1998), pp. 282–289.

54. International Institute for Strategic Studies, *The Military Balance: 1995/96* (Oxford: Oxford University Press, 1995), p. 177.

55. *Ibid.*, p. 178.

56. You Ji, 'A blue water navy', p. 82.

57. International Institute for Strategic Studies, *The Military Balance: 1995/96*, p. 178.

58. For the factor of Taiwan, the Taiwan Strait of 1995–1996 in particular, in promoting the PLAN's modernisation, see You Ji, 'A blue water navy', pp. 71, 76, 78, 83; Austin, *China's Ocean Frontier*, pp. 288–289.

about 376,000 troops,⁵⁹ but the PLA would have been incapable of occupying Taiwan because it was not able to wage amphibious warfare.⁶⁰ The key to the PRC recovering the island would be to make a forced crossing of the 160-mile-wide Taiwan Strait while preventing the United States from supporting Taiwan. The PLAN is the main force for invading Taiwan but the Taiwanese navy had the balance of power in its favour, particularly after its acquisitions of French and American-made missile frigates in a major naval upgrade in the mid-1990s.⁶¹ The naval command stressed that it would need urgently to deploy sophisticated warships to destroy the Taiwanese Navy while deterring the US Navy's intervention. It was essential to strengthen and improve the naval force for a successful invasion of Taiwan.⁶²

The PLA Air Force (PLAAF) was a weak service.⁶³ It was large, numbering about 470,000 and was equipped with 4,970 combat aircraft in the mid-1990s.⁶⁴ However, the vast majority of its warplanes were more than 30 years old and ought to have been decommissioned. In light of the new features of air wars and new trends in air power development in the twenty-first century, the PLAAF was backward in most fields such as reconnaissance, communications and electronic warfare capabilities, in particular, in-flight refuelling systems to extend its range and sustainability.⁶⁵ The PLAAF was in need of new types of electronic-war aeroplane, high-speed fighters, airborne warning and control systems, as well as more advanced and accurate missiles to fill a gap in the air defences. Externally, because Communist China is a rival to the United States and other Western powers, Western countries especially had observed an embargo on sales of arms to the PRC since the Tiananmen Square military suppression in 1989, the PRC had to rely on itself to develop weaponry and equipment for the air force. Although the PRC basically had the capability to produce combat aircraft, it had had difficulty developing a fighter to match international standards. Generally speaking, from the 1980s to the mid-1990s, the military had tried very hard to enhance the air force by relying on itself. The PRC air defence had improved and strengthened somewhat in weaponry and equipment, but most were still in a developing stage. Overall modernisation still had a long way to go.

The PLAAF had long cherished the hope of changing from a defensive force to one that would be capable of both defence and offence,⁶⁶ but it lacked such a

59. International Institute for Strategic Studies, *The Military Balance: 1995/96*, p. 192.

60. For the PLA Navy's combat effectiveness to attack Taiwan, see Chong-Pin Lin, 'The military balance in the Taiwan Strait', *The China Quarterly* No. 146, (June 1996), pp. 588–589, 591.

61. Taiwan ordered six LaFayette-class missile frigates from France in 1992 and most of them were delivered in 1996. Also, it acquired six Knox-class missile frigates from the United States between 1992 and 1996. In addition, Taiwan ordered seven American-made Perry-class frigates, which were delivered between 1993 and 1998. See International Institute for Strategic Studies, *The Military Balance: 1999/2000* (Oxford: Oxford University Press, 1999), pp. 178–179.

62. You Ji, 'A blue water navy', pp. 71, 76, 78, 82–83.

63. For the modernisation of the PLAAF, see You Ji, 'The PLA's military modernisation in the 1990s', pp. 244–247.

64. International Institute for Strategic Studies, *The Military Balance: 1995/96*, pp. 178–179.

65. International Institute for Strategic Studies, *The Military Balance: 1996/97* (Oxford: Oxford University Press, 1996), p. 171.

66. You Ji, 'A blue water navy', p. 72.

capability up to the mid-1990s. A war game in the Taiwan Strait could provide an opportunity for such a strategic transformation. Tension across the Taiwan Strait would confirm that the PRC needed to beef up its air defence capabilities. Taiwan's air force was small but higher-quality with modern fighters like the French *Mirage* and the American F-16.⁶⁷ Although the PLAAF had the numerical advantage, most combat aircraft were out of date. Thus it would be difficult to gain air superiority to cover the navy and to support the army to launch an attack on Taiwan.⁶⁸ Moreover, the American forces would probably help in Taiwan's defence and the powerful American air force would pose a big threat. The PLAAF considered that it should have more advanced fighting aircraft to attack Taiwan's well-defended airspace. It had imported 26 Sukhoi-27 supersonic warplanes from Russia in the early 1990s but these were insufficient.⁶⁹

The PLA missile unit needed to be improved and strengthened.⁷⁰ Between 1995 and 1996, the PRC had 17 intercontinental ballistic missiles, 70 intermediate range ballistic missiles and a large number of short range missiles.⁷¹ The PRC had detonated its first atomic bomb in 1964. Besides strategic nuclear striking strength, most of its short range missiles could carry a conventional, biological, chemical, or nuclear warhead. However, the Second Artillery Corps—that is, the PLA strategic rocket force—was still a small nuclear force, about the size of that of France. It remained far behind America and was backward in technique. The missiles it had at that time were still below world standards in terms of speed and accuracy, while being antiquated and impossible to launch quickly. While badly needing new-type conventional missiles, the Second Artillery Corps expected to modernise its nuclear arms. If Beijing were to seek to determine the future of Taiwan by force, it would increase the risk of military confrontation between the PRC and the US. In terms of missile force confrontation, if the PRC used missiles to attack Taiwan, the United States would help Taiwan defend itself covering it with an anti-missile umbrella or it could fire ballistic missiles into mainland China in a conflict between two nuclear powers. In this case, the PRC would be threatened or deterred by the US. The PRC would have to thwart any American intention to protect Taiwan with conventional missiles and strategic nuclear weapons. Although the PRC missiles could strike almost anywhere in Asia and reach Los Angeles, the PLA missile unit had to continue efforts to modernise and diversify its nuclear arsenal especially developing newer, mobile ballistic missiles and improving warheads. A crisis in the Taiwan Strait would stress the strategic necessity of modernisation for the Second Artillery Corps which would provide imperatives for a major expansion of forces to upgrade its capability to cope with the US strategic nuclear force while striking Taiwan. The PLA missile inventory, production, installations and maintenance such

67. Taiwan ordered 150 F-16s and 60 *Mirage* 2000s in 1992. They were delivered in succession until 1999. See International Institute for Strategic Studies, *The Military Balance: 1999/2000*, pp. 178, 175.

68. For the PLA Air Force's battle-worthiness to attack on Taiwan, see Chong-Pin Lin, 'The military balance in the Taiwan Strait', pp. 585–588, 591.

69. International Institute for Strategic Studies, *The Military Balance: 1995/96*, p. 178.

70. For the modernisation of the PLA Strategic Missile Forces, see You Ji, 'The PLA's military modernisation in the 1990s', pp. 237–244.

71. For information about the PRC Strategic Missile Forces from 1995 to 1996, see International Institute for Strategic Studies, *The Military Balance: 1995/96*, p. 176.

as tactical ballistic missiles and long-range cruise missiles would be highly valued. Meanwhile, because medium and short-range missiles play an important role in enhancing the PLA capability of attack against Taiwanese or US forces, they needed urgently to be expanded and upgraded while improving their accuracy. The Second Artillery Corps could avail itself of tension with Taiwan to flex its missile muscle and obtain preferment in the modernisation.

The defence budget and the military's involvement in Taiwan policy

More defence budgetary resources are another major objective of the military's involvement in Taiwan policy on its own initiative.⁷² From 1949 to 1978, the national finances had been giving priority to military expenditure. However, the military had been faced with a difficult situation in defence spending since it had been told that economic development was a higher priority than a military build-up. The government could not but give a lot less to the military and a lot more to other pressing domestic needs.⁷³

The defence budget had been virtually unlimited from the 1950s until the late 1970s but available budgetary resources for the military had decreased from then to the mid-1990s. The defence budget was reduced, from 5.6% of the gross domestic product (GDP) in 1979 to only 1.3% in 1994. Military expenditure had declined successively, from 18.5% of the total national expenditure in 1979 to 9.5% in 1994.⁷⁴ Budgetary restraints made it difficult to purchase and develop PLA weapons systems. The military believed that it had been weakened by declining budgets.⁷⁵

There were two main reasons for the military calling for a larger increase in the defence budget. One was the modernisation programme and another was the inflationary factor. The military has been pursuing its ambitious and expensive modernisation drive focusing on high-technology warfare. It needed large amounts of money to upgrade its arsenal, but it had been constrained by direct budget limitations.

The request for an expensive new weapons programme was treated with indifference by the civilian leaders. As for the inflationary factor, it seemed that it

72. Western military analysts believe that the PRC actual defence spending is substantially higher than the published figures. This study still cites Beijing's official figures on defence budgets in illustration of its viewpoints because they can shed light on military expenditure in the PRC. For an analysis of the PRC defence finance in detail, see Ding, 'China's defence finance', pp. 428–442; 'China's military expenditure', International Institute for Strategic Studies, *The Military Balance: 1995/96*, pp. 270–275.

73. Deng Xiaoping, 'The army must subordinate itself to serve the overall situation of the nation's economic construction', in *Selected Works of Deng Xiaoping, Vol. 3* (People's Press, 1993), pp. 98–100; Lu Weimin, 'The military criticises Deng Xiaoping of delaying national defence', *Beijing Spring* No. 29, (October 1995), pp. 21–23.

74. Information Office of the State Council of the People's Republic of China, 'China: arms control and disarmament (November 1995, Beijing)', *Beijing Review*, (27 November–3 December 1995), p. 15. For a further analysis of the PRC defence expenditures, see Richard A. Bitzinger, 'Military spending and foreign military acquisitions by the PRC and Taiwan', in Lilley and Downs, eds, *Crisis in the Taiwan Strait*, pp. 75–77.

75. Fang Zhi, 'Who on Earth threatens who?—Xu Xin, Chairman of the China Institute for International Strategic Studies. Former Deputy Chief of the General Staff of the PLA, talks about the so-called threat', *Outlook Weekly*, (19 February 1996), pp. 48–49; Lu Weimin, 'The military criticises Deng Xiaoping', pp. 21–23; Gary Klintworth and Des Ball, 'China's arms buildingup and regional security', in Harris and Klintworth, eds, *China as a Great Power*, pp. 263–264.

had an adverse effect on the increase in defence expenditures. Prices had been increasing rapidly and the paper currency had been inflated since the late 1980s.⁷⁶ Inflation even led to decreasing servicemen's real salaries.⁷⁷ The military had already taken the inflation factor into account when it made the request for more defence spending.⁷⁸ It contended that the annual increase was largely in line with inflation, with added costs for maintaining the standard of living of army personnel and pensions rather than purchasing and maintaining weapons and equipment.⁷⁹ However, the military's claim on the national budget for a larger share by reason of inflation was declined. The reason for this was that not only the armed forces, but all trades and professions had been affected. The civilian administration was already facing mounting unemployment and budget deficits together with a huge public spending programme to try to deal with the situation. The government therefore did not satisfy the military's wish to make compensation. Only 71.65% of the military's demand for spending because of inflation was met.⁸⁰

The budget shortfalls pressured the military to find alternative financial sources, and it was forced to engage more heavily in business to provide funding for itself. The PLA established a colossal empire of about 20,000 companies employing a large number of soldiers and civilians, which raised a substantial revenue for additional army spending. At one time when the government was years away from instituting a fully functioning national budget to provide for all the needs of the PLA, the civilian and military leaders had tacitly consented or implicitly encouraged the PLA commercial business operations. However, although it engaged in widespread commercial activities, as extra-budgetary earnings substituted for lost defence expenditures and helped to finance the long-desired military modernisation, corruption greatly increased and military discipline seriously worsened, involving rampant smuggling and other illegal activities. As a result, business impaired the PLA military capabilities.⁸¹ In view of such a serious situation, attempts had been made by the civilian and military leaders to break the myriad links between the army and business. The civilian leaders declared that, in principle, the allocation of necessary funds for the PLA to carry out its duties should be regularised, more reliant on state finances while the army should be more obedient to state directives. The civilian and military leaders ordered the PLA to narrow gradually its business fields, leading over a period of time to a final withdraw from commercial activities. But nothing happened because the military officers were unwilling to give up money-making assets and the civilian leadership did not ensure the PLA had the

76. Between 1989 and 1990, inflation had taken a turn for the worse, reaching about 30%. Although the inflation rate fell from over 20% in 1994 to 17.1% in 1995, it remained relatively high. See William A. Joseph, ed., *China Briefing: The Contradictions of Change* (Armonk, NY: M. E. Sharpe, 1997), pp. 67–68.

77. Ding, 'China's defence finance', p. 442.

78. Dennis Van Vranken Hickey, *Taiwan's Security in the Changing International System* (Boulder, CO: Lynne Rienner Publishers, 1997), p. 154.

79. Klintworth and Ball, 'China's arms buildup and regional security', pp. 263–264; Information Office of the State Council of the People's Republic of China, 'China: arms control and disarmament', p. 15.

80. Klintworth and Ball, 'China's arms buildup and regional security', pp. 263–264; Information Office of the State Council of the People's Republic of China, 'China: arms control and disarmament', p. 15.

81. For an overview of the PLA commercial activities, see Tai Ming Cheng, 'China's entrepreneurial army: the structure, activities and economic returns of the military business complex', in Dennison Lane *et al.*, eds, *Chinese Military Modernization*, pp. 168–197.

necessary budget despite the government promise that it would gradually increase the defence allocation.⁸² The PLA had to demonstrate to the government by other means that it needed a substantial boost to its budget.

Taiwan issues again provided the necessary argument.⁸³ The military saw national reunification as an opportunity for a bigger slice of the budget. If there was no serious threat to the security and sovereignty of the country, defence expenditures would not increase by a wide margin. Only if the military played up the urgency of the Taiwan issue to expedite reunification using the PLA as backup, could it obtain more defence budgetary resources. If the Taiwan Strait were to return to tense times, big boosts in the defence budget would be considered necessary. Thus, the PRC found itself in a period when supreme power was in a state of transition, the top leaders competing for the paramount succession were open to the argument that Taiwan should be put at the top of the PRC agenda and relevant defence spending should be given priority. No leaders could withstand a decrease in military expenditure affecting the use of force against Taiwan in the pursuit of national reunification.⁸⁴ The PLA stressed that it would need to increase its military expenditure before a successful invasion of Taiwan was possible. The military pushed for bigger budgets for sophisticated weapons and training programmes focusing on naval power projection and amphibious lift-all vessels crucial to an invasion of the island.

The PRC military had cited efforts by the Taiwan government to modernise the Taiwan army as a reason to spend more on sophisticated hardware. The military's argument was that Taiwan had made an enormous investment in the defence system from the 1970s to the 1990s. Taiwan's defence spending had taken 40.3% of the total budget, and the military accounted for 6.98% of the island's GNP in the 1980s.⁸⁵ More dramatically, from the early 1990s onwards, Taipei had given the army a huge amount of money in an extra-budgetary allocation purely for the purchase of American and French advanced weapons systems.⁸⁶ The military expressed concern that by procuring more hi-tech weapons in the coming years Taiwan's forces would constitute a threat to the PLA. If the PRC did not provide a continued investment in its armed forces, it would lose its margin of military superiority to Taiwan over the next decade. The military drew attention to Taiwan's fast-growing defence spending while the mainland's rate of military expenditure growth had slowed. The military called for the government to increase its defence budget to upgrade the PLA combat preparedness for reunification by force.⁸⁷

82. Jianxiang Bi, 'The PRC's active defense strategy: new wars, old concepts', *Issues & Studies* 31(11), (November 1995), pp. 92–94; Ralph A. Cossa, 'The PRC's national security objectives in the post-Cold War era and the role of the PLA', *Issues & Studies* 30(9), (September 1994), pp. 22–23.

83. Ellis Joffe, 'How much does the PLA make foreign policy?', in Goodman and Segal, eds, *China Rising*, p. 61; Swaine, *The Role of the Chinese Military*, p. 75, n. 2.

84. Goldstein, 'Great expectations', pp. 67–68.

85. Dennis Van Vranken Hickey, *United States–Taiwan Security Ties: From Cold War to Beyond Containment* (Westport, CT: Praeger, 1994), p. 64.

86. International Institute for Strategic Studies, *The Military Balance: 1998/99* (Oxford: Oxford University Press, 1998), pp. 169, 197.

87. You Ji, 'Missile diplomacy and PRC domestic politics', pp. 47–48; Cossa, 'The PRC's national security objectives', pp. 12–14, pp. 23–24; Swaine, *The Role of the Chinese Military*, p. 78, n. 5.

Therefore, the Taiwan issue became the most immediate and reasonable grounds on which to argue the military's requirements for more defence budgetary resources.

Evaluation of the military's influence upon Taiwan policy making

The military did not feel it was necessary to lobby on the Central Taiwan Work Leading Group (CTWLG) before 1992 but it considered it an imperative necessity to influence the top Taiwan policymakers after 1992. Before 1992, the military itself dominated the policy-making and handling of affairs regarding Taiwan. The then CTWLG was headed by President Yang Shangkun. Yang was authorised by Deng Xiaoping with whom he had a close personal relationship. Yang had control over Taiwan policy while keeping the handling of routine affairs of the military in his own hands as permanent vice-chairman of the Central Military Commission (CMC). When there were disputes between the civilian administration and the military authorities, Yang was able to resolve or mediate them playing a balanced role on the military's behalf.⁸⁸ Although Jiang Zemin was CPC General Secretary and CMC chairman, he had a small say in Taiwan policy. At that time the military's profile on the Taiwan issue was low, for it did not need to act as a lobbyist to inject its views into the Taiwan policy process. After Yang's failure in the power struggle with Jiang Zemin in the 14th National Party Congress in 1992, Jiang replaced Yang, becoming state president and CTWLG head. However, Jiang was not viewed by the military as one of them because of the absence of a military record as a serviceman. Such circumstances had caused him difficulty in winning respect and loyalty from the military. Although there still was a professional serviceman, Lieutenant General Xiong Guangkai, in the CTWLG, the military believed that its influence was insufficient for it to gain the upper hand on Taiwan issues. Against such a background with its role in the Taiwan policy process impaired, the military had to conduct lobbying activities with the CTWLG. In the meantime, with Jiang Zemin not yet predominant in Taiwan policy-making, the military had room to exercise influence.⁸⁹

Unlike pre-1992, the military sought to significantly influence the Taiwan policy process in the mid-1990s, fuelled by its pivotal role in the succession politics of the post-Deng era. Jiang's political survival depended on the military's support but that support was conditional. Jiang had to give the military more for its defence budget and greater participation in policy decision making. Thus the military was able to bring pressure to bear. The change in the leading structure of Taiwan policymaking was exposing rifts between the military and the civilian leadership. There were increasing voices of dissent in the PLA over Beijing's Taiwan policy. However, Jiang was unable to easily smooth away the divergence between the civilian officials and the military officers. If Jiang attempted to rein in the PLA his own position might be in jeopardy. Jiang had found it difficult to take controversial stands on military issues and Taiwan affairs. The military had become more

88. Tai Ming Cheng, 'Chinese military preparations against Taiwan over the next 10 years', in Lilley and Downs, eds, *Crisis in the Taiwan Strait*, p. 46; Chen Te-sheng, 'Mainland China's Taiwan affairs organizations and personnel', *Issues & Studies* 30(7), (July 1994), p. 58; Swaine, *The Role of the Chinese Military*, pp. 34–36; p. 41, n. 9.

89. Garver, *Face Off*, p. 61.

assertive, threatening to unseat him while unhinging the civilian management of the Taiwan issue. This situation, finally, led to Jiang making the decision to intimidate Taiwan by force under the military's pressure. Succession politics and the Taiwan crisis in the mid-1990s provided the military with the opportunities to greatly influence the Taiwan policy process.⁹⁰

The military does its best to lobby on the NPC and NPCSC. Although the NPC and NPCSC are generally acknowledged to be rubber stamp organisations, they are the PRC top legislative body. Theoretically and legally, their responsibility is to approve or reject suggestions issued by the State Council, including the election of state leaders. It has that constitutionally mandated power to legislate, oversee law enforcement and supervise the government. The election and appointment of state leaders and the adoption of the law must have over half of the votes of all members of NPC and NPCSC to be passed. More imperatively, the national budget including the defence budget and final accounts must be examined and approved by the NPC. Before the mid-1980s, the top legislators followed the party's order to adopt by nearly unanimous votes. All bills and motions, and decisions made by the State Council were passed. Nevertheless, as democratisation took its course, the PRC parliament began to change its symbolic image.⁹¹ Lawmakers have nullified draft law tabled to them for approval. There were two cases in which bills proposed by the State Council were not approved by the NPCSC.⁹² Under such circumstances, especially when the NPC discusses and approves the defence budget, the military cannot slight the NPC and NPCSC despite inputs into the policy process of the central party's leadership and national government on major political and foreign decisions.⁹³ Before the mid-1980s, the PLA delegation was organised to attend the annual NPC but was not active. However, since the early 1990s the military has exerted itself to lobby the national legislature.⁹⁴ The PLA delegation proposed its own motions on the budget expansion emphasising the army's urgent needs in accomplishing reunification in the mid-1990s.⁹⁵ In the meantime, to make its requirements on Taiwan issues legitimate, the military regarded the NPC and NPCSC as an important policy forum. The PLA delegates to the NPC and the military's representatives on the NPCSC took advantage of the situation to propagandise the hard-line on Taiwan, preaching war-like rhetoric while attacking the civilian departments concerned for their soft stands.⁹⁶

90. David Shambaugh, 'China's Commander-in-Chief: Jiang Zemin and the PLA', in Dennison Lane *et al.* eds, *Chinese Military Modernization*, pp. 210–211; Joffe, 'How much does the PLA make foreign policy?', pp. 53–70.

91. According to You Ji, the NPC influence on the PRC policy decision making has increased despite its role as rubber stamp remaining substantively unchanged. See You Ji, 'Missile diplomacy and PRC domestic politics', p. 40, n. 24; Also see You Ji, 'Jiang Zemin: in quest of post-Deng supremacy', in Maurice Brosseau, Suzanne Pepper and Tsang Shu-ki, eds, *China Review 1996* (Hong Kong: The Chinese University Press, 1996), pp. 1–27.

92. Before 1996, the Seventh NPCSC (1988–1993) once voted down a draft law on urban neighbourhood committees. The second time was in 1999. During the Ninth NPC, a Highway Bill was not adopted. These two cases have caused the military to attach importance to the power of the national legislature. See Daniel Kwan, 'Snub for Zhu as fuel tax proposal rejected', *The South China Morning Post*, (30 April 1999).

93. You Ji, 'Missile diplomacy and PRC domestic politics', p. 45, n. 30.

94. For an extended analysis of the military's position and lobbying activities in the NPC and NPCSC, see Garver, 'The PLA as an interest group in Chinese foreign policy', pp. 252–254.

95. Swaine, *The Role of the Chinese Military*, p. 78, n. 5.

96. Garver, *Face Off*, pp. 57–58; Allen S. Whiting, 'Chinese nationalism and foreign policy after Deng', *The China Quarterly* No. 142, (June 1995), p. 314.

The interactions between the military and the civilian departments demonstrated that the military did not intend to become a directorate. What it wanted was a larger say. However, at a crucial moment when it believed that its political and economic benefits would be affected, especially its strategic interests because of the soft-line by the civilian departments concerned, the military strove to take the initiative. It strongly demanded the civilian departments concerned readjust Taiwan policy responding to the course of events in the Taiwan Strait during 1995–1996 in light of the military's views. Yet this did not show that the military intended to dominate Taiwan policy formulation. It sometimes criticised the Taiwan Affairs Office (the TAO) but never targeted it for attack. The TAO is the PRC main working organ for Taiwan but, to a great extent, its main duty is to implement rather than make Taiwan policy. Instead, the military aimed its attack at the Ministry of Foreign Affairs (MFA) and focused its criticism on the MFA head, Qian Qichen, because much of the Taiwan issue involves the PRC–US–Taiwan relationship, and the Deputy Prime Minister and Foreign Minister Qian, was one of the key Taiwan policymakers who was concurrently the CTWLG deputy-head. The military resented his weakness toward Washington and Taipei and blamed the MFA for bartering away sovereignty and encroaching upon the military's interests. In terms of American arms sales to Taiwan and other issues of PRC–US relations over Taiwan, the military believed that the MFA had not responded strongly enough, and more unforgivably, had not taken countermeasures. The MFA was severely criticised for its wrong moves and Qian was attacked for his failure in his duties of supervision. His resignation as foreign minister was demanded. The military maintained that Beijing should take an intransigent attitude toward the United States over Taiwan and should handle the Taiwan issue with a high hand. Jiang Zemin had to defend the accused Qian but Jiang's authority was affected.⁹⁷

Further, while forcing Qian into making a self-criticism, the military criticised Jiang for following a soft-line and urged him to toughen the PRC stance on Taiwan. The PLA chiefs claimed that Jiang's moderate eight-point policy toward Taiwan had failed. In order to seek the military's support to consolidate his position as Deng Xiaoping's successor, Jiang had to accept the plan of intimidating Taiwan even though he did not favour such an adventurist plan. Under the military's pressure, Jiang even undertook a self-criticism for his wrong decisions on inter-linked policies toward America and Taiwan.⁹⁸ The aggressive positions taken by the military forced the civilian leaders and departments concerned to take a stronger stance. Generally speaking, the civil–military disputes resulted in a resolution favourable to the military. Although the military did not attempt to play a central role in Taiwan policy decision making, undoubtedly, its influence increased in the mid-1990s. The absence of a political strong man after Deng Xiaoping resulted in

97. Lo Bing, 'The C.P.C. military attacks the Ministry of Foreign Affairs', *Cheng Ming Monthly* No. 201, (July 1994), pp. 6–8; David Shambaugh, 'China's military in transition: politics, professionalism, procurement and power projection', *The China Quarterly* No. 146, (June 1996), pp. 273–274; Garver, *Face Off*, pp. 57–59.

98. Shambaugh, 'China's Commander-in-Chief', pp. 210–211; Garver, *Face Off*, pp. 61–62; Garver, 'The PLA as an interest group in Chinese foreign policy', p. 272.

no leader wielding sufficient power to be predominantly influential over Taiwan policy, and helped the military to push its views into the Taiwan policy-making process. Such circumstances made the already fragmented Taiwan policy-making structure more diffuse. Worse, the Taiwan policy process was politicised.

In addition to the above-mentioned channels of influence over Taiwan policy, the military took public opinion seriously. It made use of the media as means while whipping up nationalist sentiments to press the civilian leadership to follow a hard-line on Taiwan. During the Taiwan Strait crisis of 1995–1996, the military intensified its activities in propaganda and public relations. On the one hand, it kept up a propaganda barrage in its own organs such as *The Liberation Army Daily*. Simultaneously, the top PLA generals published many strong statements trying to show that safeguarding national reunification and territorial integrity was becoming an emergency situation. The military claimed in its many hawkish comments that US intervention in a conflict between mainland China and Taiwan would result in a serious aftermath while intensifying a barrage of criticism aimed at the Taiwan independence force headed by Lee Teng-hui. The military also launched its propaganda offensive in the civilian media to exert a heavier pressure on the civilian leadership to meet the PLA demands. During the tensest time of the Taiwan crisis, the PRC state media was filled with pictures and reports of war games.⁹⁹ The military's propaganda implicitly criticised Jiang Zemin's wrong decisions on Taiwan policy and urged Jiang to take resolute steps against Taiwan. At a time of mounting tension over Taiwan, the Beijing leadership was scheduled to gather at the seaside resort of Beidaihe for its annual mid-year policy review in summer 1995.¹⁰⁰ The top item on the political agenda was the Taiwan question. The military flexed its political muscle to press Jiang to accept its views at the Beidaihe conference designed to chart new PRC policy toward Taiwan. The military stepped up its war of words over Taiwan before the Beidaihe meeting putting Jiang under heavier pressure. In an atmosphere of strong nationalism fostered by the military, Jiang, vulnerable in the midst of the succession struggle, could not allow himself to appear soft on Taiwan. He managed to stabilise his successor position through satisfying the armed forces. After the Beidaihe conference, Beijing declared that it would take stronger military measures against Taiwan. As more PLA military exercises took place, tensions across the Taiwan Strait grew.¹⁰¹ Thus military adventurism along with public opinion reduced the civilian leaders' room for manoeuvre. They could not but make some compromises with the PLA hawkish appeals. As a result, it became more difficult for a pragmatic Taiwan policy establishment to succeed.

99. Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: A. A. Knopf, distributed by Random House, 1997), p. 163.

100. Beidaihe is a seaside resort, located in Qinhuangdao City, Hebei Province, close to Beijing. It is the summer palace of PRC leaders, where the Beijing leadership gathers for its annual meeting to plan economic and political strategies for mid-year or the coming year. Beidaihe conferences usually start in late July or early August.

101. Fu Mosha, 'Contending for the dominance of public opinion: Jiang and Zhu jointly "liberate" the army', *The Journalist*, (5–11 August 1999), p. 33.

Jiang Zemin's relationship with the military

The military played a major role in pressing Jiang Zemin to make decisions to test-fire missiles into the Taiwan Strait and stage military exercises along the mainland coast to intimidate Taiwan. For this reason, it is essential to make an examination of the relationship between Jiang and the military.

The military was a decisive factor in succession politics. Whether Jiang would be able to gain support in the military was a key question to assure his succession from Deng Xiaoping. Jiang's weak link with the military was his greatest weakness in defending his position as the heir of Deng. The challenge of the contenders for the leadership succession increased the pressing need for strong military support. Jiang was eager to ensure the loyalty of the PLA as he intended to win the succession struggle. Yet, without a personal power base in the army, he was not in an advantageous position in commanding the armed forces although he held the highest military leading post in November 1989. In theory, the chair of the Central Military Commission (CMC) could allow him to have control of the army, but in practice, almost nobody believed that Jiang wielded power as supreme commander in the army at the beginning of his CMC chairmanship.¹⁰² For Jiang, the biggest disadvantage was his lack of a military background. He was never involved in actual military operations before he became CMC chairman. Although he had been the first political commissar of the Shanghai garrison in the late 1980s, that position was concurrently in his capacity of Shanghai Communist Party secretary, which was rather symbolic for the party's leadership over the army. Strictly speaking, he was the first civilian to hold the CMC chairmanship. Without military experience, officers and soldiers had reluctantly paid him allegiance, which had affected his credibility as commander-in-chief. Jiang himself admitted that he had no experience in military work and vowed to modestly learn military affairs.¹⁰³ Then he had to work hard to win the respect and loyalty of the army. A comparison between Mao Zedong, Deng Xiaoping, and Jiang Zemin shows an unlikeness, demonstrating that military experience is essential for those who want to reach the height of power. Both Mao and Deng had their military careers and exploits as professional revolutionaries. Unlike his predecessors, Jiang, an undistinguished technocrat, wielded neither real military command nor absolute political power. Apparently, he was not in a position to check the most influential force in contemporary PRC politics. He had a few political resources for reining in the military, mainly the doctrine of 'the party's absolute leadership over the gun'. He had conducted an ideological campaign in the PLA to promote loyalty to himself, urging all officers and soldiers to follow the command of CMC Chairman Jiang. Yet many servicemen remained reluctant to recognise his authority as the core of the third-generation leadership over the PLA. He had been handicapped in his relationship with the military since the day he became paramount party and military leader.

Under such circumstances, Jiang had to court the military in exchange for its full

102. Bruce Gilley, *Tiger on the Brink: Jiang Zemin and China's New Elite* (Berkeley: University of California Press, 1998), pp. 164–169, 225–226.

103. Richard Baum, *Burying Mao: Chinese Politics in the Age of Deng Xiaoping* (Princeton, NJ: Princeton University Press, 1994), p. 301.

backing for his right of leadership succession.¹⁰⁴ He had assiduously cultivated good relations with the military through championing its three major objectives. He strove to meet their demands for political privilege, army modernisation and defence budget. Politically, he allowed the military more participation in the party's and governmental policy decision making to raise its social stature and maintain its privileged position. In the Jiang Zemin era, the military had a larger say than in the eras of Mao Zedong and Deng Xiaoping, reinforcing its privileges in politics. In terms of defence modernisation, he tried to satisfy the military's wish. He talked about the importance of a strong army calling for the military's rapid modernisation while advocating technological improvements for the army to strengthen defence and the military's ability to cope with hi-tech regional wars. Basically, he consented to the PLA plans to modernise its weaponry. He approved many of the military's purchasing lists for sophisticated weapons and equipment including import of Russian-made advanced warships, fighter planes and missiles. With respect to the demand for defence budget, he approved granting the PLA a bigger budget. The defence budget has been increased annually at a double-digit pace since Jiang assumed power.¹⁰⁵ In addition, he has promised more budgetary resources in the future.¹⁰⁶ When the military engaged in business activities to make up its financial deficiency, he rode with a loose rein allowing the PLA to make money.¹⁰⁷

Jiang's attempts to both court and control the military appear to have resulted in partly success but have produced side-effects because of contradictory elements. On the one hand, support was, to some extent, gained. The military accepted his leadership over the armed forces as supreme commander. However, as the price of his support, he was forced to make major concessions lowering him in the eyes of servicemen. On the other hand, he had not thrown the reins to the military because his goal was to have control of the military to make it loyal to himself. His intentions of controlling the military were in conflict with the military's aggressive demands for keeping a slack rein. Although Jiang had sought to court them, the military remained dissatisfied with him. In the circumstances, strained relations emerged despite Jiang seeking to cultivate his amicable ties. As Jiang had misgivings about his control over the military and the military worried about its own particular interests, the divergence was exposed between the armed forces and supreme commander. Politically, the military's deeper and broader involvement in policy decision making had begun to ring alarm bells about Jiang's leadership. For example, Jiang's plans of reducing the size of the PLA had to be suspended or slowed up when he met resistance by the generals. This damaged his prestige as commander-in-chief. He had to prevent the military from increasingly interfering in policy formulations on major issues while compromising. This had brought him

104. Regarding Jiang's effort to court the military, see Shambaugh, 'China's Commander-in-Chief', pp. 209–245; Gilley, *Tiger on the Brink*, pp. 226–227.

105. Suisheng Zhao, *Power Competition in East Asia: From the Old Chinese World Order to Post-Cold War Regional Multipolarity* (New York: St. Martin's Press, 1997), p. 218.

106. You Ji, 'Missile diplomacy and PRC domestic politics', p. 45.

107. Willy Lam and Frankie Leung, 'Peking facing crucial tests after Deng', *The Free China Journal* XII(39), (13 October 1995), p. 7.

into contradiction with the military. In terms of the military's expectations for a quickened defence modernisation drive, he had to balance concerns over the national economy and demands of modernising the PLA with expensive advanced armament. When he frequently required that the PLA should be subservient to the overall goal of economic construction, the military became dissatisfied with him. Regarding the military's aggressive demand for a bigger budget, he expressed his difficulties in delivering his promises to grant the PLA an increasingly larger share in the national budget by indicating that an increase in military spending would be conditional. He advised the military that only on the basis of economic growth could more funds to develop the forces be appropriated.¹⁰⁸ In view of corruption such as graft-related and worsening disciplinary problems even disobedience, he had to place restrictions on the PLA business activities, by enhancing its financial dependence on his leadership. The military were displeased with him for only slowly increasing defence spending as well as imposing restrictions on an enlargement of the PLA business empire. These three major issues, political privilege, military modernisation and defence budget, became the continued disputes between Jiang and the military. As Jiang tried to rein in the military restraining the military's unmeasured demands, feelings on both sides became increasingly uncharitable. To be fair, Jiang's remarks and conduct curbing the military's excessive demands were nothing new. He only reiterated the guidelines of military strategy defined by Deng and continued to pursue Deng's policies of building the army and constructing the country, making greater concessions to the military. However, unlike Deng who had military experience and exploits as well as high prestige and authority, Jiang was not viewed by the military as one of them because of his absence of a military record as a serviceman. Jiang's attempt to rein in the military resulted in straining relations between both sides. Contrary to Jiang's wish, the military had become more assertive. This placed his successor position potentially in jeopardy and consequently threatened to unhinge his management of the crisis in the Taiwan Strait.

The Yang family generals are an important element in assessing Jiang's relations with the military. The struggle between Yang and Jiang is a key issue in his quest for military command. Jiang won a decisive battle in purging his strongest political enemy out of the military hierarchy.¹⁰⁹ The fall of the Yang family generals saved Jiang from the danger to his successor position helping to foster his power before Deng's demise. Jiang had three major gains from his triumph over the Yang family generals—the recaptured military command, the state presidency and the decision-making regarding Taiwan policy.

Jiang had consolidated his successor position and had improved his conditions for commanding the army, but there would still be a lot of work to do in grasping the military's leadership. He had taken major measures in the key military leadership reshuffle, which can be divided into two phases. In the first phase from late-1992 to mid-1994, Jiang had purged the two Yangs' supporters while installing

108. You Ji, 'Missile diplomacy and PRC domestic politics', p. 45.

109. Regarding the power struggle between Jiang Zemin and the Yang family generals for military command, see Shambaugh, 'China's Commander-in-Chief', pp. 223–226; Gilley, *Tiger on the Brink*, pp. 193–197.

his protégés in key positions. The Yang family generals had controlled almost all high-level military appointments since the late 1980s, which posed a serious threat to Jiang. After the Yangs were removed from the CMC, Jiang was able to secure the promotion of many of his military allies. A major reshuffle of the army leadership had taken place in which there were wide-ranging changes of personnel. In order to seek to curb the Yangs' influence within the military, Jiang had removed or transferred some 300 high-level officers, replacing the Yangs' loyalists with his own trusted officers.¹¹⁰ Jiang tended increasingly to favour military officers who could be relied upon to support him in the power struggle for the leadership succession. At the end of 1992, he appointed three supporters of his as CMC members and directors of the PLA three general departments. Respectively, Zhang Wannian, Yu Yongbo and Fu Quanyou took over the chief of the general staff, the director of the general political department and the director of the general logistics department. On 7 June 1993, Jiang promoted them and three other senior officers to the rank of general.¹¹¹ From mid-1993 to mid-1994, he conferred the rank of general on another 13 senior officers.¹¹² Through reshuffling, he, by and large, had the upper hand in the PLA three general departments while having an influence on army generals.

However, Jiang had aroused controversy among the military officer corps. More questionable, Jiang's promotions gave rise to a crop of problems, causing a new unbalance in all services and arms and stimulating more demands of the generals. For example, the Second Artillery Corps formally demanded a change in its name to the PLA Strategic Rocket Force in order to promote its position from an arm to a service while both the Navy and the Air Force demanded their own memberships in the CMC. Jiang found it hard to meet the unmeasured demands for higher posts and ranks which the greedy army generals required in exchange for the military's backing for his leadership. He was in political difficulties which increasingly put larger pressures on him.¹¹³ The support of the generals for Jiang was conditional and unstable. He was worried and angered that the military's organs, such as *The Liberation Army Daily* still looked down upon him when they published reports on him. Jiang's authority over the army remained insecure.¹¹⁴

In the second phase from mid-1994 to late-1995, Jiang made an attempt to solve a problem that his military command was overridden by two incumbent PLA veterans. When the Yang family generals were removed from the CMC, Admiral Liu Huaqing and General Zhang Zhen were brought in as CMC vice-chairmen despite having retired.¹¹⁵ Liu played a bigger role than Zhang in the CMC. Seen as

110. Roderick MacFarquhar, ed., *The Politics of China: The Eras of Mao and Deng (Second Edition)* (New York: Cambridge University Press, 1997), pp. 507–508.

111. Three other senior officers were Zhu Dunfa, president of the National Defence University, Zhang Lianzhong, commander of the PLA Navy and Cao Shuangming, commander of the PLA Air Force. See Wu Jiang, 'It is reported that Yu Yongbo will assume the post of Defence Minister', *Taiwan Today News Network (TTNN)*, (9 February 2001).

112. Lam and Leung, 'Peking facing crucial tests after Deng', p. 7.

113. Qu Tao, 'There is more behind Jiang Zemin promoted senior officers to the rank of full general', *Cheng Ming Monthly* No. 221, (March 1996), pp. 35–38; Qu Tao, 'Can an attack with missiles on Taiwan become effective within three minutes?', pp. 21–22.

114. Gilley, *Tiger on the Brink*, pp. 225–226.

115. MacFarquhar, ed., *The Politics of China*, p. 508.

close to Deng, Liu was deputed by Deng to help Jiang assert control over the army in order to solidify Jiang's leadership.¹¹⁶ Liu did so by guiding the PLA into acceptance of Jiang as Deng's successor. Liu was not ambitious for supreme power. However, he was put on the Politburo Standing Committee having the seniority, the prestige and the military exploits, to overshadow Jiang. Jiang stood in awe of him and had to take his advice into account on major issues. Under such circumstances, these two PLA veteran generals, especially Liu, had real power over the army. Jiang was unable to decide reshuffles and appointments of senior officers and had to consult with Liu and Zhang and make a compromise deal.¹¹⁷ On major issues, all services and arms and various military major regions and group-armies asked for instructions from and reported to Liu and Zhang rather than Jiang. Jiang had been relieved of the bulk of his duties regarding military command and the handling of PLA affairs. This problem was so serious that in March 1995 Deng met the PLA chiefs calling them to unconditionally obey the orders of Jiang.¹¹⁸

Liu was close to two of Jiang's main rivals for the leadership succession, the Chairman of the National People's Congress' Standing Committee, Qiao Shi and Premier Li Peng. An alliance would pose a threat to Jiang's position as the heir of Deng.¹¹⁹ After Liu assisted a smooth succession for Jiang, Jiang did not need Liu any more and intended to curb his influence and those of his potential allies. Jiang hoped that Liu would retire early thereby shoring up his own control of the military. As tensions in the Taiwan Strait increased in late 1995, however, Admiral Liu and General Zhang allied with Chairman Qiao and Premier Li to disapprove of Jiang's moderate Taiwan policy.¹²⁰ In the face of these two formidable military opponents and their coalition with Qiao and Li, Jiang felt that the need to reshuffle the CMC was more urgent especially promoting his own people into it. Because Jiang was unable to remove Liu and Zhang any sooner, he adopted outflanking tactics. Two younger generals were added to the vice-chairmanships of the CMC, in an attempt to weaken the functions and powers of Liu and Zhang. In September 1995, General Zhang Wannian, the chief of the general staff, and General Chi Haotian, the minister of defence, were appointed as CMC vice-chairmen.¹²¹ Both new vice-chairmen were viewed as Jiang's supporters but their degree of support differed. Zhang Wannian was widely seen as a strong supporter of Jiang. Because he was the biggest benefactor of Jiang's reshuffle in the military leading posts, he wanted to reciprocate Jiang's confidence. During the Taiwan crisis, he almost never criticised Jiang's Taiwan policy. This notwithstanding, he assumed a strong stand toward Taiwan and the US for the sake of the military's unity and stakes while seeking to win his own high reputation in the army.¹²² Chi's support for Jiang was

116. You Ji, 'Jiang Zemin: in quest of post-Deng supremacy', p. 8; Baum, *Burying Mao*, pp. 365–366.

117. Willy Wo-Lap Lam, *The Era of Jiang Zemin* (Singapore and New York: Prentice Hall, 1999), p. 184.

118. Luo Bing, 'The military reduces Jiang to a mere figurehead—Deng meets the top military leaders speaking to them about the four major issues', *The Trend Magazine*, No. 116, (April 1995), pp. 8–9.

119. Wo-Lap Lam, *The Era of Jiang Zemin*, p. 184; Nathan and Ross, *The Great Wall and the Empty Fortress*, pp. 183–184; Sha Ming, 'The military exercises in East Sea give rise to covert struggle at the top leadership of Communist China', *The Nineties* No. 309, (October 1995), pp. 32–34.

120. *Ibid.*, pp. 32–34.

121. 'Economy focus of CPC goals', *Beijing Review*, (16–22 October 1995), p. 5.

122. Wo-Lap Lam, *The Era of Jiang Zemin*, pp. 190–192; Yi Fan, 'The top military leaders brag', pp. 29–30.

very limited and not apparent. Chi sought to preserve the PLA interests rather more than he supported Jiang. His opinions on the Taiwan crisis were more aggressive than Zhang Wannian even being out of accord with Jiang's Taiwan policy.¹²³ The behaviour of these two supporters of Jiang showed that support could not always be translated into loyalty and control. Meanwhile, Liu and Zhang Zhen retained their first and second ranking vice-chairmanships despite expecting to be eased out in two years. Although their power was shared with two new CMC vice-chairmen, both veterans retained their decisive roles in discharging the CMC responsibilities and their powerful political influence.

After augmenting the vice-chairmanships of the CMC, the unfavourable situation for Jiang in the military's hierarchy had been partially remedied but had not been fundamentally changed. The military continued firmly preserving its own vital interests, speaking with one voice in general. Even Jiang's protégé, Xiong Guangkai, the then director of the PLA intelligence department, was belligerent beyond Jiang's moderate Taiwan policy during the Taiwan crisis.¹²⁴ In late 1995, Xiong aired the strongest anti-American views threatening to incinerate Los Angeles with nuclear destruction if America should come to the aid of Taiwan.¹²⁵ Retired PLA generals remained important. They took the opportunity of the strained PRC-US relations and cross-Strait tensions to regain military commands.¹²⁶ They had been very active during the Taiwan crisis and frequently interfered in interlinked policies toward Taiwan and the US.¹²⁷ This strengthened the military's influence upon Jiang on decisions concerning Taiwan putting heavier pressure on him. Although Jiang deliberately whipped the military into line, he was still not in a position of control. After the appointments of Zhang Wannian and Chi Haotian, the military, as a whole, remained strongly positioned to articulate and press its views upon Jiang on the interlinked policies toward Taiwan and the US. Until the question of leadership succession was decisively resolved, the challenges by the contenders for Deng's heirship forced Jiang to rely increasingly on the military. The military's crucial role in the post-Deng succession and Jiang's inability to control it determined that Jiang had to accept its adventurist plans of conducting war games during the Taiwan crisis.

The military's role in pressing upon Jiang Zemin the adoption of strong measures against Taiwan¹²⁸

From the outset, the military looked unfavourably on Jiang's eight-point proposal on the Taiwan issue, and became increasingly opposed.¹²⁹ Jiang had sought to

123. Lu Weimin, 'The military criticises Deng Xiaoping', p. 21; Yi Fan, 'The top military leaders brag', pp. 29–30.

124. Wo-Lap Lam, *The Era of Jiang Zemin*, pp. 14–15, 174.

125. Mann, *About Face*, pp. 334, 342.

126. During the Taiwan Strait crisis of 1995–1996, retired PLA generals had attempted to establish a central military advisory commission but had failed. See Li Zao, 'Retired generals attempt to establish a central military advisory commission', *Cheng Ming Monthly* No. 215, (September 1995), pp. 8–10.

127. Luo Bing, 'More than fifty generals mount pressure on Jiang Zemin', *Cheng Ming Monthly* No. 214, (August 1995), pp. 8–9.

128. For an examination of the PRC military's involvement in the Taiwan policy process, mainly the handling of the Taiwan Strait crisis of 1995–1996, see Joffe, 'How much does the PLA make foreign policy?', pp. 53–70.

129. Wo-Lap Lam, *The Era of Jiang Zemin*, pp. 172–173; Garver, *Face Off*, p. 61.

embark on his moderate Taiwan policy with the backing of the military but failed. The military had consistently advocated a tough line with Taiwan. His moderate policy with eight points was perceived as weakness by the military. The idea of a more accommodating Taipei would pose awkward questions for the military to consider the immensity of the stake. Bearing in mind the range of strategic, political and economic interests involved, it had managed to prevent Jiang from going too far along with his mild line on Taiwan.

Shortly before the publication of Jiang's Eight-Points, on 12–25 December 1994, the Ministry of National Defence and the General Staff Department held a symposium entitled 'the Strategic Principle toward Taiwan'. Most top military leaders attended the symposium and General Chi Haotian, Minister of Defence, delivered a bellicose speech. He believed that cross-Strait relations were in tension and wished to step up combat readiness while preparing to deal with armed intervention by the United States and its allies over the Taiwan issue. The symposium discussed the issues of Taiwan policy and determined the nature of Lee Teng-hui as separatist and hostile in light of his political behaviour and policy direction. The military's mainstream viewpoints were summarised and eight points for dealing with Taiwan were brought forward, advocating a firmer approach. The military's eight points deemed that Lee Teng-hui's administration was pursuing Taiwan independence, asserting that Lee's cross-Strait policy was hostile to mainland China. While Taipei kept on intending to create two Chinas, or one China, one Taiwan, or Taiwan independence, the PRC would impose a blockade of Taiwan or take resolute military actions to thoroughly settle the reunification issue.¹³⁰ Thereby, in terms of Taiwan policy, the military's eight points were diametrically opposite to Jiang's eight points. The military's eight points did not mention peaceful reunification at all, and denied that there would be the possibility of reaching a consensus on the reunification issue through negotiations and consultations between Beijing and Taipei. They were based on contemplating the use of force to achieve reunification while proposing that only after reunification by military means could the 'one country, two systems' be exercised in Taiwan. This demonstrated that the military was still preparing for the use of force in settling the Taiwan issue despite Jiang planning to offer his peaceful overtures toward Taipei.

Worse still, soon afterwards, the military implemented its tough policy toward Taiwan. On 30 January 1995, the same day that Jiang offered his overtures with eight propositions toward Taiwan, the PRC military high command deployed new missile forces in areas opposite Taiwan. The PLA missile unit moved its M-class missile bases from the inland province of Jiangxi to the coastal province of Fujian, opposite Taiwan. This constituted a new military threat to the island, although Jiang took the initiative launching his smile offensives. The military's fresh heavy arms build-up directed at Taiwan indicated its disapprobation of Jiang's approach to Taiwan placing him at a disadvantage in accommodating Taipei. This undercut the significance of his eight-point proposal, arousing Taipei's suspicion about his sincerity in developing cross-Strait relations and promoting peaceful

130. Yi Fan, 'Communist China prepares public opinion for forcible invasion of Taiwan', pp. 25–26.

reunification.¹³¹ More crucial, the military's demonstrations exposed Jiang's inability to rein in the PLA and his weak and unstable leadership.

After the publication of Jiang's eight-point proposal on Taiwan, the military viewed it as a weak policy. The military had been critical of it and had tried hard to revise it.¹³² In response to Lee Teng-hui's US visit, the military was extremely critical, in sharp contrast with Jiang's restrained attitude, demonstrating its disapproval of Jiang's moderate Taiwan policy. Shortly after the Clinton Administration decided to issue a visa to Lee on 22 May 1995, the military immediately made a harsh response. On 23 May, the Commander of the PLA Air Force Yu Zhenwu cut short his US tour and returned home. On 26 May, Minister of Defence Chi Haotian postponed a planned visit to the US.¹³³ In the meantime, the military had taken a hardline and aggressive position while exerting powerful pressure on Jiang. On 24 May, the Ministry of National Defence, the General Staff Department, the Navy, the Air Force and the Second Artillery Corps wrote a letter jointly to the State Council and the CMC. It demanded that the PRC government take firm and substantive steps to counter the provocation of the American authorities and adopt essential measures against the Taiwan authorities. The Ministry of National Defence and the Second Artillery Corps even proposed that the PRC should cut off political relations and military contacts with the US as a first in a series of strong measures.¹³⁴ On 2 June, the General Political Department, the General Logistics Department, the General Staff Department and the Commission of Science, Technology and Industry for National Defence submitted a proposal jointly to the State Council and the CMC. It proposed that the party's central leadership should revise the PRC guiding principle and policy toward the US while remaking Taiwan policy. It also demanded the party's central leadership take countermeasures to deal with a deterioration in PRC-US relations and a radical change in cross-Straits relations.¹³⁵ Member of the party's Politburo Standing Committee and First CMC Vice-Chairman Liu Huaqing had played a leading role in pressing the military's opinion upon Jiang. In the symposium attended by the commanders of all services and arms as well as military colleges on 19 June, and the Party Congress of the Commission of Science, Technology and Industry for National Defence on 22 June, Liu declared that the PRC would adopt military means to settle the Taiwan issue

131. Christie Su, 'ROC military says mainland missile shift perils Taiwan', *The Free China Journal* XII(8), (3 March 1995), p. 2.

132. The military published a series of articles critical of Jiang's moderate Taiwan policy despite not mentioning Jiang's name. For example, in marking the 50th anniversary of the War of Resistance Against Japan, Liu Huaqing and Chi Haotian respectively took occasion of publishing their signed articles advocating nationalism and implicitly criticising Jiang's weak stand on Taiwan. In their articles packed with hard-line and threatening rhetoric, they disapproved of Jiang's flexible eight-point policy proposal on Taiwan and insisted on the military's hawkish standpoints. Against Jiang's assurances to the Taiwanese people that Chinese should not fight fellow Chinese in his eight-point proposal, Liu and Chi renewed their threat that the PLA would use force to stop the Taiwanese splitting with the mainland. See Lu Weimin, 'The military criticises Deng Xiaoping', pp. 21-23; Yue Mumin, 'The military increases its say to influence the PRC decisionmaking', *Beijing Spring* No. 29, (October 1995), p. 27.

133. Qi Xin, 'A sudden change in Communist China's policies toward the US and Taiwan', *The Nineties* No. 306, (July 1995), p. 58.

134. Luo Bing, 'The military hawk grows more powerful', p. 8.

135. Luo Bing, 'Each sticks to his own view on policies toward the US and Taiwan—the disputes among the party, government and military', *Cheng Ming Monthly* No. 213, (July 1995), p. 8.

and smash the scheme of Taiwan independence.¹³⁶ This whipped up belligerent sentiments and cut down Jiang's room for diplomatic and political solutions to the disputes in PRC-US relations and cross-Strait relations. In cooperation with Liu, Second CMC Vice-Chairman Zhang Zhen focused on criticising Jiang's guiding principle on the US, stirring up indignation against the US and reducing Jiang to a passive position. On 24 May, Zhang pointed out emphatically that Jiang's policy toward the US had taken overmuch account of the relationship with the US, and actually there were four aspects which were more important. Zhang called for preparation for a showdown between the PRC and the US while demanding a change in the US policy.¹³⁷ Further, the PLA chiefs claimed that Jiang's moderate eight-point policy toward Taiwan had failed because it stirred Lee to embark on his US visit. They demanded a re-explanation of Jiang's eight points to deter Taiwan from taking the road of independence. The military maintained that Beijing should take an intransigent attitude toward the US over Taiwan and should handle the issue with a high hand. Jiang was under tremendous military pressure to escalate responses mainly in response to Lee's US visit.¹³⁸

Both senior military officers and retired generals severely criticised Jiang's soft stance on Taiwan and the US, even challenging his successor position. In the symposium marking the 50th anniversary of the War of Resistance Against Japan on 20 June, retired PLA generals accused Jiang of being weak in policies toward Taiwan and the US. They started a revolt angrily reproaching him for behaviour injurious to national security and party-state interests. Jiang was rebuked for his weakness and incompetence as well as neglect of duty, and his resignation was demanded. Some veterans proposed that Jiang should be substituted by other candidates for Deng's successor as early as possible. With unanimous resolution, these retired PLA generals backed incumbent generals and main military departments to press their opinions upon Jiang. In addition, more than 50 retired generals wrote a letter in joint names to the party's Central Committee, the State Council and the CMC. It put forward an 11-point proposal to demand the adoption of tough policies toward Taiwan and the US and settle the Taiwan issue by force. It emphatically proposed stepping up combat readiness for a military conflict in the Taiwan Strait while making preparations for American armed intervention. Worried about the threat of retired PLA generals to his right of succession, Jiang took their strong demands seriously. On 4 July, he met seven leading retired generals responding to their proposals with two guarantees. He assured them that the party's central leadership would substantively respond to American hegemonist provocations with resolute measures while deploying military forces to meet an attack of the US army. He also pledged himself not to permit the Taiwan independence force headed by Lee Teng-hui to separate the country promising to take resolute military measures to resolve the reunification issue.¹³⁹ The interference by retired PLA

136. Guan Jie, 'Communist China's new interlinked policies toward America and Taiwan', *The Trend Magazine* No. 119, (July 1995), p. 21.

137. Luo Bing, 'The military hawk grows more powerful', p. 8.

138. Shambaugh, 'China's Commander-in-Chief', pp. 210-211; Garver, *Face Off*, pp. 61-62, 172, n. 38; Garver, 'The PLA as an interest group in Chinese foreign policy', p. 272.

139. Luo Bing, 'More than fifty generals mount pressure on Jiang Zemin', pp. 8-9.

generals in interlinked policies toward Taiwan and the US in effect became part of the official military's positions on tensions over Taiwan, fuelling the military to flex its political muscle to press Jiang to accept its views.

An attack by the military on the civilian departments concerned was an important part of pressing Jiang to take a tougher posture against Taipei and Washington. The military launched fierce offensives against the civilian departments concerned for their soft stands. The Ministry of Foreign Affairs (MFA) did not advocate aggravating tension over Lee Teng-hui's US visit while the Taiwan Affairs Office (the TAO) objected to any retaliatory measures more than strictly necessary. However, their reasonable voices were overridden by the powerful military.¹⁴⁰ While criticising the TAO, the military focused on accusing the MFA of adopting weak positions and wrong moves. A lot of military officers satirised the MFA as the ministry of traitors. Jiang himself was politically vulnerable and struggled to defend his successor position, he was unable to protect the civilian departments concerned from these attacks. His moderate interlinked policies toward Taiwan and the US were compromised. The military concentrated on bringing an accusation against the Deputy Prime Minister and Foreign Minister, Qian Qichen, who was concurrently the CTWLG (the Central Taiwan Work Leading Group) deputy-head. In mid-July, the hawks within the Ministry of National Defence and the Commission of Science, Technology and Industry for National Defence raised doubts about the diplomatic line and strategic principle on the US of the MFA led by Qian. Their attacks on Qian and demands for his dismissal were in fact aimed at Jiang, in an attempt to force him to change his soft-line and toughen his stance toward Taiwan and the US.¹⁴¹ In mid-1995, the CTWLG (the Central Taiwan Work Leading Group) Secretary-General Wang Zhaoguo, Politburo Member and Director of the Taiwan Affairs Office, was replaced by Xiong Guangkai, the military's representative on the CTWLG despite Wang retaining CTWLG membership.¹⁴² This indicated that the military was playing a larger role in the formulation of US and Taiwan policy, helping to make policies preferred by itself. In rifts between the military and the civilian leadership, Jiang yielded to the military, reducing the functions and powers of the civilian departments concerned in handling of US and Taiwan affairs. The aggressive positions taken by the military forced both Jiang and the civilian leaders and departments concerned to toughen their stands.

Succession politics and the Taiwan crisis provided the military with the opportunities to greatly influence interlinked policies toward Taiwan and the US in the quest of its vital interests. The military's severe criticism sent warning messages to Jiang. He was fearful of losing his successor position, which had been threatened by the anti-Jiang coalition of the military with the contenders for the leadership succession. In order to retain his succession to supreme power, he bowed to the pressures, issuing his self-criticism to the emergency enlarged meeting of the

140. Lan Xin, 'Lee Teng-hui's US visit gives rise to internal strife of Communist China', *Cheng Ming Monthly* No. 213, (July 1995), pp. 11–12.

141. Luo Bing, 'Jiang's US tour causes a disturbance in Zhongnanhai', *Cheng Ming Monthly* No. 217, (November 1995), pp. 6–8; Garver, *Face Off*, pp. 57–59.

142. *Ibid.*, pp. 61–62.

Political Bureau on 28 May for failing to prevent Lee Teng-hui from visiting the US. By and large, the military expressed satisfaction with this self-criticism, but the hawks within the General Staff Department and the Ministry of National Defence still assailed Jiang for his Right-deviationist mistakes in the CMC enlarged meeting on 2 June.¹⁴³

Although Jiang had undertaken self-criticisms and had expressed his aspiration that he would adopt strong measures to deal with Taipei and Washington, he was hesitating to counterattack Lee Teng-hui's political provocations and American diplomatic provocations with military action. Hardliners urged Jiang to take one further step to escalate responses, in particular, a military response to Lee's US visit. When Jiang took no action, the contenders for the leadership succession and the military joined forces to press Jiang to make a decision to strongly retaliate against Taipei and Washington. Premier Li Peng and two CMC Vice-Chairmen, Admiral Liu Huaqing as well as General Zhang Zhen, took the opportunity of Jiang's visit to Germany and Poland to make a plan to conduct war games and fire missiles into the sea near Taiwan. After he returned from abroad, Jiang was immediately confronted with the accomplished plan. Jiang had to accept a *fait accompli* perforce endorsing the plan even if he did not favour such military adventures.¹⁴⁴ In the meantime, the military supported Qiao Shi and Li Ruihuan attacking Jiang for his weak responses to Lee's US visit and pressing Jiang to change the line on Taiwan and the US.¹⁴⁵ The joint actions of the military with these three rivals for the leadership succession demonstrated, in fact, there was an anti-Jiang coalition. The formation of the coalition was according to their respective political needs. The military wanted its own strategic, political and economic interests, which would not oust Jiang from office so long as he could satisfy it with concessions. However, if Jiang failed to consent to a military response, it was likely that the military would withdraw its support for him. Meanwhile, Jiang's three rivals were committed to replacing Jiang as Deng's successor. They were ready to stand in with the military because they lacked the political strength to eject Jiang from power. Although their respective ends were different, coalitionists were ready to join hands. The military's joint forces with Jiang's principal rivals affected his successor position, making him vulnerable to criticism and pressure. Jiang was fearful that the military might shift its support from him to his contenders.¹⁴⁶ The infighting for the leadership succession within the highest echelons of power in Beijing appeared to have put Jiang on a collision course with the coalition. In order to prevent the coalition from undermining his position as the heir of Deng, Jiang had to accept the plan of physically intimidating Taiwan.

143. Luo Bing, 'The military hawk grows more powerful', pp. 6–8.

144. Sha Ming, 'The military exercises in East Sea', pp. 32–34.

145. Shao Jiang, 'Jiang Zemin signed treaties in Shanghai in order to prevent from Qiao Shi's political influence', *Cheng Ming Monthly* No. 224, (June 1996), pp. 28–30.

146. For a brief analysis of the military's joint forces with the contenders for the leadership succession to press military action against Taiwan upon Jiang, see Edward Friedman, 'The prospects of a larger war: Chinese nationalism and the Taiwan Strait conflict', in Suisheng Zhao, ed., *Across the Taiwan Strait*, p. 262.